



**ANNUAL REPORT
30 JUNE 2020**

CONTENTS



Corporate Directory	2
Chairmans' Letter	3
Directors' Report	4
Remuneration Report (Audited)	12
Auditor's Independence Declaration	22
Consolidated Statement of Profit or Loss and Other Comprehensive Income	23
Consolidated Statement of Financial Position	24
Consolidated Statement of Changes In Equity	25
Consolidated Statement of Cash Flows	26
Notes to the Financial Statements	27
Directors' Declaration	50
Independent Auditors Report	51
Corporate Governance Statement	56
ASX Additional Information	63

Directors

Daniel Tillett – Executive Director and Chief Operating Officer

John Cullity – Interim Executive Chairman

William Garner – Non-Executive Director

Chris Ntoumenopoulos – Non-Executive Director

Borje Andersson – Non-Executive Director

Phillip Lynch – Independent Non-Executive Director

Company Secretary

Peter Webse

Registered office

Level 40, 140 William Street

Melbourne VIC 3000

Ph: +3 9097 1656

Website: www.raceoncology.com

Auditor

Bentleys Audit & Corporate (WA) Pty Ltd

216 St Georges Terrace

PERTH WA 6000

Share Registry

Automic Registry Services

Level 2

267 St Georges Terrace

Perth WA 6000

Ph: + 8 9324 2099

Securities Exchange Listing

Australian Securities Exchange Limited

Level 40, Central Park 152-158 St Georges Terrace

Perth, WA, 6000

ASX Code – RAC

Dear Shareholders

It is my pleasure to formally open the annual report to Race Oncology Shareholders for the period ended 30 June 2020. It's been a highly successful year as regards progress in reframing the opportunity for Bisantrene in Acute Myeloid Leukemia (AML) and a range of other cancers. With the recently reported Phase II Bisantrene data and independent work which highlighted the expanded potential role for the drug, we are increasingly confident of the value that Bisantrene offers patients and prescribers.

The year can be described as one of significant evolution, with the Company shifting its strategic plan, as well as shoring up its leadership resources and capital to support the investments we've made - and our future plans.

Clinically, Race recorded a substantial milestone when in June 2020 we reported that management expectations had been far exceeded by impressive new Bisantrene data. A 40% patient response rate was observed in the 10-person, investigator-led, single agent, Israel-based AML trial, conducted by Professor Arnon Nagler. Furthermore, the trial showed Bisantrene was safe with no unexpected toxicities occurring. These data have demonstrated the utility of Bisantrene in the modern clinical context and build on our drug's extensive historical data.

Strategic plan – the new 5-path strategy was shared in November 2019, and its construction has greatly enhanced the risk/reward outlook for Race. We remain committed to progressing Bisantrene as an effective treatment for AML in adult and paediatric populations and as a way to treat Measurable Residual Disease (MRD), a risk factor greatly influencing patient survival after human stem cell transplantation. We have also identified breast and ovarian cancers as indications with robust historical data associated with Bisantrene's utility. In sum, the new strategy greatly enhances the commercial opportunities for Bisantrene, capitalises on its history and minimises clinical risk through pursuing multiple relevant development paths.

Leadership – we have a highly capable Board, Management team and strong partnerships with select expertise to help us to optimally execute on our strategies. In this last year we were joined by Dr Daniel Tillett, as both an Investor and Director, then later as our Chief Scientific Officer. Daniel has made a significant contribution to this year's results, particularly in helping to reshape our strategic plan. Dr Bill Garner who helped found Race Oncology stepped down from the Chair role and it's been my privilege to succeed him. More recently our former CEO Dr Peter Molloy left the business, so Daniel and I have been sharing executive responsibilities. We were honoured to have the Chair of our Clinical Advisory Board, Professor Borje Andersson join the Board as Non-Executive Director in January this year. Finally, we were also pleased to introduce Mr Phillip Lynch, a former J&J executive to the Board in a non-Executive capacity.

Capital management – our financial year shows a loss of \$3.8m vs a loss of \$3.7m in 2019. Cash on hand has increased significantly, owing to investment in 2020 from prominent biotech investors, including Merchant Opportunities Fund which invested \$1.8m in March 2020, before making follow-on investments of \$3m in July and \$1.5m in August. Thanks to these investments, Option exercise and a prudent approach to financial management, Race has started the 2021 financial year with cash reserves of \$1.7m increasing to \$5.8m as at August 27, 2020. This allows Race the ability to fund its immediate clinical trial plans and to pursue broader activities as outlined in the 5-path plan.

Clinical progress – while I mentioned the significant results we realised through the Nagler Israeli trial, we have been additionally energised by the published City of Hope (COH) findings around the Fat mass and Obesity-associated (FTO) protein and its role in regulating RNA expression as reported in the June *Cancer Cell* publication by Su R. *et al.* We look forward to studying the COH work and to further evaluating the potential for Bisantrene with regard to FTO inhibition. More broadly, our Clinical team, led by Professor Borje Andersson, has assembled a cadre of global expertise to ensure that our Clinical plans are optimised, and our opportunities realised. We are fortunate to have such world-class advisors.

It's been a pivotal year for Race. We're now proving out our view that Bisantrene represents a relevant, high-potential cancer drug. The team at Race is committed to fulfilling Bisantrene's potential by further progressing our corporate strategy and positioning the business to ensure that patients, potential pharma partners, clinicians and our investors, might all participate in the potential that Bisantrene affords.



Dr. John Cullity
Executive Chairman

DIRECTORS' REPORT



Your Directors present their report, together with the financial statements of Race Oncology Limited ("the Company" or "RAC") for the financial year ended 30 June 2020.

Information on Directors

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Daniel Tillett	— Executive Director and Chief Operating Officer
Qualifications	— Ph.D – Molecular Genetics & Biochemistry
Experience	— Dr Tillett is the CEO and founder of Nucleics Pty Ltd, a private biotechnology company in the genomics space. He was previously a Senior Lecturer within the School of Pharmacy at La Trobe University where he lectured on biochemistry, biotechnology, pharmacy, microbiology and virology. Dr Tillett's Ph.D on the molecular genetics and biochemistry of microcystin toxin production was awarded by the University of New South Wales in 2000.
Interest in Shares and Options	— 9,200,000 ordinary shares 4,250,000 options expiring on 31 August 2021 exercisable at \$0.099 2,500,000 options expiring on 25 November 2022 exercisable at \$0.19
Directorships held in listed entities	— None
John Cullity	— Interim Executive Chairman
Qualifications	— MBBS, MRCP, MSc(Econs), MBA
Experience	— Dr Cullity is Managing Director at BioSynergy Partners, a New York and Melbourne based advisory recently spun out of Torreyia – the renowned life sciences investment bank. He additionally serves on the Boards of several life sciences companies including Ceramedix (seeded by Torreyia). Dr Cullity is a resident of New York. At Torreyia, he provided strategic advisory on Mergers & Acquisitions, Partnering and Financing to life-science companies worldwide. Prior to joining Torreyia, he was a senior member of the Business Development team at Sanofi Pharmaceuticals, where he led buy side transactions in oncology and diabetes. Earlier in his career, Dr Cullity was Head of Strategic Pricing & Reimbursement at Sanofi, Director of Health Economics at Schering-Plough, and Consultant at A.T. Kearney. He has also worked at the World Bank and the World Health Organisation. Dr Cullity graduated in Medicine and sub-specialised in haematology-oncology at QE II Medical Centre, Perth. He holds a Bachelor of Medicine, Bachelor of Surgery from The University of Western Australia; Membership of the Royal College of Physicians; Masters in Health Economics from London School of Economics & Political Science, and MBA from The Wharton School, University of Pennsylvania.
Interest in Shares and Options	— 3,787,878 ordinary shares 2,000,000 options expiring on 27 November 2021 exercisable at \$0.23 1,893,939 options expiring on 31 August 2021 exercisable at \$0.099 1,000,000 options expiring on 25 November 2021 exercisable at \$0.25
Directorships held in listed entities	— None
William Garner	— Non-Executive Director
Qualifications	— Master of Public Health, Harvard University Doctor of Medicine, New York Medical College

Information on Directors (continued)

William Garner

Experience

- Non-Executive Director
- William Garner, MD is a US physician, investor, and entrepreneur. Dr Garner is one of the inventors on the Bisantrone patents, originally filed by Update Pharma, Inc. and now owned by Race Oncology. Previously, he founded EGB Advisors LLC, a life sciences advisory firm whose clients have included the M.D. Anderson Cancer Centre, the Kauffman Foundation, ChemGenex (ASX:CXS) and CoTherix. He also founded Inverseon, Inc., which was merged with the ASX-listed company cBio to create Invion Ltd, serving as CEO until May of 2013. He founded Urogen Pharmaceuticals, Inc. and co-founded DelMar Pharmaceuticals, Inc. (NASDAQ:DMPI). Previously, he was at Hoffmann La Roche in oncology medical affairs and worked as a merchant banker in New York City. Dr. Garner serves as Chairman of InMed Pharmaceuticals (TSX:IN) & Isla Pharmaceuticals and works with several of the other portfolio companies of EGB Ventures. Dr Garner has a Master of Public Health from Harvard and received his MD degree from New York Medical College. Dr. Garner did residency training in Anatomic Pathology at Columbia-Presbyterian and is currently a licensed physician in the State of New York.

- Interest in Shares and Options — 14,037,774 ordinary shares
1,000,000 options expiring on 25 November 2021 exercisable at \$0.25
757,575 options expiring on 31 August 2021 exercisable at \$0.099

- Directorships held in listed entities — Chairman of listed company InMed Pharmaceuticals (TSX:IN)

Chris Ntoumenopoulos

Qualifications

- Non-Executive Director
- Bachelor of Commerce, majoring in Money and Banking, Investment Finance and Electronic Commerce

Experience

- Mr Ntoumenopoulos is Managing Director at Twenty 1 Corporate, a boutique corporate advisory firm. He has worked in financial markets for the past 12 years, focusing on Capital Raisings, Portfolio Management and Corporate Advisory. Mr Ntoumenopoulos has advised and funded numerous ASX companies from early stage venture capital, through to IPO. He is also a director of various private and public companies which span across finance, technology and medical sectors.

- Interest in Shares and Options — 1,038,884 ordinary shares
189,393 options expiring on 31 August 2021 exercisable at \$0.099
1,000,000 options expiring 25 November 2021 exercisable at \$0.25

- Directorships held in listed entities — ResApp Health Limited

Borje Andersson

Qualifications

- Non-Executive Director
- MB, MD, PhD

Experience

- Prof Andersson is an internationally acclaimed leader in the field of leukaemia and stem cell transplantation research at the MD Anderson Cancer Centre in Houston, Texas. Prof Andersson was previously engaged as a scientific and clinical consultant to the Company and is Chair of RAC's Clinical Advisory Board. Prof Andersson is the inventor of IV Busulfan, an FDA-approved drug used in stem cell transplantation. Busulfan was approved in 1999 and has drastically improved survival outlook for leukaemia patients, helping reduce the death rate in the first 100 days after transplant from 30-40% to less than 3%.

- Interest in Shares and Options — 420,000 options expiring on 21 January 2024 exercisable at \$0.12
420,000 options expiring on 31 May 2024 exercisable at \$0.085
840,000 options expiring on 5 December 2024 exercisable at \$0.18
2,400,000 options expiring on 23 January 2025 exercisable at \$0.275

- Directorships held in listed entities — None

Information on Directors (continued)

Phillip Lynch	— Independent Non-Executive Director
Qualifications	— Graduate of Monash University with a Bachelor of Business in Marketing. Completed post-graduate studies at University of Virginia's Darden Business School (USA). Graduate of the Australian Institute of Company Directors
Experience	— Mr Lynch has a career spanning more than 30 years in the Asia Pacific region with Johnson & Johnson. He is an experienced executive and board director, with a diverse background across corporate development, strategy, financial performance, marketing and governance. In his former role as Vice President of Commercial Growth & Innovation at Johnson & Johnson Asia Pacific (J&J AP), 2016 - 2019), Mr Lynch partnered with the Mergers & Acquisitions team to drive the integration and growth of acquired businesses. He retired from J&J AP in December 2019 following the >\$2b acquisition and integration of a significant Japanese business. Mr Lynch was previously the Managing Director and CEO of J&J Pacific (AU/NZ) where he led J&J Pacific to significant growth in revenue and profitability (2009 to 2015). He had further leadership roles across the Asia Pacific region, including Managing Director of various J&J divisions in Thailand, Vietnam and Singapore. Mr Lynch was also a member of the J&J Corporate Australian Board working across the Consumer, Medical and Pharmaceutical businesses. He was Non-Executive Director of a US based e-commerce Logistics start up that was successfully scaled and sold in 2013.
Interest in Shares and Options	— 419,149 ordinary shares
Directorships held in listed entities	— None
Peter Molloy	— Managing Director
Qualifications	— Bachelor of Science (Microbiology and Biochemistry), University of Melbourne Master of Business Administration, University of Adelaide
Experience	— Mr. Molloy worked in the pharmaceutical industry for 18 years. At the Australian pharmaceutical company, Faulding, he managed several Faulding subsidiaries, before joining Pharmacia (now Pfizer) as Managing Director of its Australia and NZ operations and later as Vice President of Strategic Marketing for Asia-Pacific and Latin America. Subsequently, he served as CEO of three biotechnology companies – Biota Holdings Ltd, SLIL Biomedical Corp and Florigene Ltd – where he managed numerous R&D programs, raised substantial equity funding and executed four pharmaceutical partnerships. During his tenure as CEO of the ASX-listed company, Biota Holdings Ltd, the company's market value grew from approximately \$30m to nearly \$300m in three and a half years. Previously, as CEO of the US company, SLIL Biomedical Corp, he managed R&D and licensing for the company's oncology drug development program. Between 2008 and 2014, he was a non-executive director of immune-oncology company, Viralytics (ASX:VLA). During his career, he has managed seven biotechnology or pharmaceutical businesses, launched 23 pharmaceutical products, and executed 40 international licensing or distribution deals.
Interest in Shares and Options ¹	— 4,305,004 ordinary shares, including 4,000,000 loan shares — 6,000,000 options expiring on 1 July 2021 exercisable at \$0.25
Directorships held in listed entities	— None

¹ Balance at date of resignation

Company Secretary

Peter Webse	— Company Secretary
Qualifications	— B.Bus, FGIA, FCIS, FCPA, MAICD.
Experience	— Mr Webse has over 28 years' company secretarial experience and is the managing director of Platinum Corporate Secretariat Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services.

Meeting of Directors

During the financial year 9 meetings of Directors were held. Attendances by each Director during the year are stated in the following table.

	DIRECTORS' MEETINGS	
	Number eligible to attend	Number Attended
Daniel Tillett	7	7
John Cullity	9	9
William Garner	9	9
Chris Ntoumenopoulos	9	9
Borje Andersson	4	4
Philip Lynch	1	1
Peter Molloy	8	8

Principal Activities

Race Oncology is an Australian speciality pharmaceutical company whose business model is to pursue and bring to market later stage assets, principally in the cancer field.

The Company's first important asset is a chemotherapy drug, called Bisantrene, which was the subject of more than 40 phase II clinical studies, before it was lost to clinical practice in the 1990s. Race Oncology is bringing Bisantrene to 21st Century clinical practice. Race Oncology owns four granted patents on the clinical use and formulation of Bisantrene and has secured Orphan Drug Designation in the US. The Company's goal is to complete final development of Bisantrene and bring this overlooked cancer drug to market, for the treatment of Acute Myeloid Leukaemia (AML) and explore its potential for the treatment of breast and ovarian cancers.

Operating Results

The operating loss after income tax amounted to \$3,845,965 (2019: \$3,659,402 loss); net cash used in operating activities was \$2,463,083 (2019: \$2,674,002).

Dividends Paid or Recommended

No dividends were paid or are payable for the financial year.

Review of Operations

On 12 July 2019, the Company issued 5,000,000 fully paid ordinary shares following the conversion of Milestone (ii) Performance Shares. All of the Companies Performance Shares have now been converted into ordinary shares.

On 25 July 2019, the Company announced that the first patient had been treated with Race's cancer drug, Bisantrene, in the trial at the Sheba Medical Center in Israel. Race was advised by the Sheba Medical Center that the first relapsed/refractory AML patient had been recruited into the trial and completed their seven-day course treatment with Bisantrene, without any major complications.

On 13 August 2019, the Company announced it had secured a new patent on its cancer drug, Bisantrene, from the United States Patent and Trademarks Office. This is Race's third patent granted on Bisantrene in the United States. The new patent covers expanded uses of Bisantrene, in particular its use in combination with other cancer drugs to treat Acute Myeloid Leukaemia and breast cancer.

Review of Operations (continued)

On 20 August 2019, the Company announced it had completed a placement of \$1.45million, led by prominent biotechnology investor Dr Daniel Tillett and that it had issued 8,500,000 shares at \$0.066 each and 4,250,000 options exercisable at \$0.099 and expiring on 31 August 2021 to date pursuant to that placement.

On 27 August 2019, the Company issued 5,000,000 fully paid ordinary shares at an issue price of \$0.066 in accordance with the terms of the share placement announced above on 20 August 2019.

On 17 September 2019, the Company announced that prominent biotechnology investor and substantial Race shareholder, Dr Daniel Tillett, joined the Company as a Non-Executive Director. Further, on 1 October 2019, the Company announced the Dr Daniel Tillett was appointed the Chief Scientific Officer of Race.

On 14 October 2019, the Company issued 8,409,088 fully paid ordinary shares at an issue price of \$0.066 in accordance with the terms of the share placement announced to the market on 20 August 2019.

On 14 November 2019, the Company revealed its new "5 Path" clinical strategy for its cancer drug, Bisantrene. The strategy defines five paths for the clinical development of Bisantrene that greatly expands the addressable market for Bisantrene while reducing clinical development risk and targeting cancers beyond Acute Myeloid Leukaemia. The new strategy builds on the value embedded in Bisantrene from its use in more than 40 prior human trials across a range of cancers.

On 25 November 2019, 2,000,000 options exercised at \$0.49 and 2,000,000 options exercised at \$0.65 expired on 22 November 2019.

On 26 November 2019, the Company issued 2,500,000 unlisted options exercisable at \$0.19 each on or before 25 November 2022, pursuant to the terms and conditions of appointment of Dr Daniel Tillett as an Executive Director of the Company. The Company also issued 3,000,000 unlisted options exercisable at \$0.25 each on or before 25 November 2021, issued to Non-Executive Directors.

On 5 December 2019, the Company advised that Professor Borje Andersson has agreed to chair Race Oncology's Clinical Advisory Board. Professor Borje Andersson is a world-recognised research leader in the field of leukemia and stem cell transplantation at the MD Anderson Cancer Centre in Houston, Texas. The Company issued 840,000 unlisted options exercisable at \$0.18 each on or before 5 December 2024, issued to Professor Borje Andersson in recognition of the services to be provided by him in relation to the Clinical Advisory Board.

On 16 December 2019, the Company announced it had received a R&D Tax Incentive of \$159,371 for the 2018/2019 financial year. The R&D Tax Incentive is an important Australian Government Program that refunds up to 43.5% of eligible expenditure on research and development.

On 13 January 2019, the Company announced the Company's consulting contract with Dr Samar Al-Behaisi (Chief Medical Officer and VP of Medical Affairs) would conclude on 20 March 2020. In line with the Company's new strategy, Race is now recruiting an Australian-based head of its clinical research activities.

On 14 January 2020, the Company confirmed the expired of 6,000,000 unlisted options exercisable at \$0.30 on 13 January 2020.

On 28 January 2020, the Company announced Professor Borje Andersson had been appointed to the Board as a Non-Executive Director, commencing 1 February 2020. The Company issued 2,400,000 unlisted options exercisable at \$0.275 each on or before 23 January 2025, issued to Professor Borje Andersson in lieu of Director fees and for his research related efforts in support of Race's goals pursuant to his terms of appointment as a Director.

On 17 February 2020, the Company announced that Dr Marinella Messina, a highly experienced oncology clinical trials specialist joined as its Australian Clinical Program Director. Dr Messina will commence on 16 March 2020 and be responsible for progressing the Australian trials, part of the Company's new '5' path strategy. The Company issued 2,400,000 unlisted options exercisable at \$0.49 each and expiring 17 February 2020, issued to Dr Marinella Messina under the Employment Incentive Option Plan pursuant to an Employment Agreement.

On 20 February 2020, the Company announced the appointment of Professor Jaap-Jan Boelens to the Clinical Advisory Board, a leading paediatric hematology oncologist.

On 27 February 2020, the Company issued 100,000 fully paid ordinary shares at an issue price of \$0.099 following the exercise of 100,000 unlisted 31 August 2021 options.

On 6 March 2020, the Company announced the strategic placement for \$1.8million of 6,000,000 ordinary shares, at an issue price of \$0.30 per share. The placement was cornerstoned by the biotechnology focused Merchant Opportunities Fund.

Review of Operations (continued)

On 6 March 2020, the Company announced that Dr John Cullity has been appointed as Non-Executive Chairman of Race, with founding chairman, Dr Bill Garner transitioning to a Non-Executive Director role.

On 10 March 2020, the Company announced the appointment of the leading international hematology oncologist, Professor Didier Blaise to its Clinical Advisory Board.

On 12 March 2020, the Company completed the placement and issued 6,000,000 fully paid ordinary shares at an issue price of \$0.30 per share.

On 13 March 2020, the Company issued 347,561 fully paid ordinary shares at an issue price of \$0.10 per share following the exercise of 500,000 unlisted 12 March 2024 employee options with an exercise price of \$0.10.

On 18 March 2020, the Company announced that Bisantrene Phase II trial at the Sheba Medical Centre in Israel had completed patient recruitment. The first patient in the trial was treated in July 2019 and the trial finished recruitment in 8 months.

On 20 March 2020, the Company confirmed the expiry of 5,000,000 unlisted options exercisable at \$0.45 on 19 March 2020.

On 23 March 2020, the Company confirmed the lapse of 750,000 unlisted options exercisable at \$0.32 and expiring on 16 May 2023 due to the termination of a consultancy agreement.

On 14 May 2020, the Company announced it had entered into a collaborative preclinical research program with the University of Newcastle. The aim of this research program is to identify combination of current breast cancer drugs that when paired with Bisantrene show equivalent efficacy to existing treatment options, but with significantly reduced serious side effects.

On 20 May 2020, the Board of Directors of Race advised that Dr. Peter Molloy had resigned as Managing Director and Chief Executive Officer. Dr Molloy has \$800,000 worth of Loan Shares with Race. On the 16 June 2020, the Company announced the Loan shares, subject to shareholder approval at the next general meeting will be repaid through a selective buy-back and cancellation. The Company announced Dr John Cullity and the Chief Scientific Officer, Dr Daniel Tillett would step into the interim roles of Executive Chairman and Chief Operating Officer, respectively.

On 1 June 2020, the Company announced that Mr. Phillip Lynch had been appointed to the Board as an independent Non-Executive Director. Mr Lynch joins Race following a career spanning more than 30 years in the Asia Pacific region with Johnson & Johnson.

On 16 June 2020, the Company reported positive clinical data from the investigator-initiated Phase II clinical trial of Bisantrene, conducted at Israel's Sheba Medical Centre. This open label, single agent trial studied patients (n=10) with relapsed or refractory Acute Myeloid Leukemia who on average had failed three prior lines of treatment. Bisantrene was found to be well tolerated, and after only a single course of treatment, had an overall clinical response rate of 40%.

On 19 June 2020, the Company confirmed the lapse of 750,000 unlisted options exercisable at \$0.32 and expiring on 16 May 2023 due to the vesting conditions had not been met.

On 19 June 2020, the Company announced the release of a copy of the transcript from this week's webinar on the results of the investigator-initiated Phase II clinical trial of Bisantrene, for relapsed or refractory Acute Myeloid Leukemia, conducted by Israel's Sheba Medical Centre.

On 22 June 2020, the Company issued 857,575 fully paid ordinary shares at an issue price of \$0.099 following the exercise of 857,575 unlisted 31 August 2021 options with an exercise price of \$0.099.

Outlook

Race remains committed to achieving contemporary usage of bisantrene by clinicians; in that regard, we look forward to initiating further Phase II clinical trials at the Sheba Medical Center trial and hope to start other investigator-initiated trials of Bisantrene. The recent discovery that bisantrene is a potent FTO inhibitor adds to the potential of investigator interest in undertaking clinical trials of bisantrene.

The 5-path strategy remains the focus of the company and we hope to announce the initiation of additional trials in Australia, Israel and the USA. The historical data continues to point to towards the use of bisantrene in the areas of AML, breast and ovarian cancer where continued clinical need remains for improved treatment options.

The paediatric AML program and the potential to secure a valuable Priority Review Voucher (PRV) remain a major value-creating opportunity for Race. The Company is actively exploring ways in which the necessary clinical work to support this program and the PRV can be conducted.

The Company continues to believe in the value of bisantrene. There is little doubt that bisantrene has a role to play in treating AML; and the fact that an international AML leader, such as Professor Nagler, is prepared to use bisantrene on his relapsed/refractory AML patients is a clear indication of this. Over the coming year, we hope to see the trial in Israel prompt other investigators in other countries to undertake their own investigator-sponsored trials of Bisantrene and through this process, generate a growing awareness of bisantrene's value.

Financial Position

The net assets of the Company at 30 June 2020 were \$5,690,035 (2019: \$5,049,906), including \$1,730,773 in cash.

Significant Events after the Reporting date

On 1 July 2020, the Company issued 112,500 fully paid ordinary shares at an issue price of \$0.099 following the exercise of 112,500 unlisted 31 August 2021 options with an exercise price of \$0.099.

On 6 July 2020, the Company issued 500,000 fully paid ordinary shares at an issue price of \$0.25 following the exercise of 500,000 unlisted 1 April 2022 options with an exercise price of \$0.25.

On 13 July 2020, the Company advised it had received firm commitments for \$3million in new equity funding via strategic placement of 5,000,000 ordinary shares, at an issue price \$0.60 per share. The placement had been made to three prominent biotechnology investors, Kidder Williams' David Williams, EFM Asset Management's Jeff Emmanuel and a follow-on investment by biotechnology institutional investor Merchant Opportunities Fund. The Shares were issued on the 14 July 2020.

On 16 July 2020, the Company issued 706,060 fully paid ordinary shares at an issue price of \$0.099 following the exercise of 706,060 unlisted 31 August 2021 options with an exercise price of \$0.099.

On 22 July 2020, the Company announced it had secured a new patent on its cancer drug, Bisantrene, from the United States Patent and Trademarks Office. This is Race's fourth patent granted on Bisantrene in the United States.

On 11 August 2020, the Company held its General Meeting of Shareholders and all resolutions were passed. Resolutions passed included the Selective Share Buy-Back by Race of Peter Molloy's Loan Shares. The 2,222,222 loan shares were subsequently cancelled on 26 August 2020.

On 12 August 2020, the Company issued 6,000,000 fully paid ordinary shares at an issue price of \$0.25 following the exercise of 6,000,000 unlisted 1 July 2021 options with an exercise price of \$0.25. These options were originally issued to former CEO and Managing Director, Dr Peter Molloy and were acquired by a strategic investor on the 12 August 2020 and exercised.

Future Developments, Prospects and Business Strategies

Our goal continues to be to ensure that Bisantrene's potential is realised. We are focused on advancing the 5-path strategy for Bisantrene in AML, breast and ovarian cancers. These programs have the potential to attract industry interest in Bisantrene and underpin our plan for achieving a commercial transaction or partnership deal for the Race shareholders in the near to medium term. We hope that these programs will generate valuable milestones in the coming year that will significantly lift Race's share price and market value.

Environmental Regulations

The Company aims to comply with the identified regulatory requirements in each jurisdiction in which it operates. There have been no known breaches of the environmental regulations.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Unissued Shares under option

At the date of this report, the un-issued ordinary shares of Race Oncology Limited under option are as follows:

Grant Date	Expiry Date	Exercise Price	Number of shares under option
1 July 2016	1 July 2021	\$0.25	3,000,000
22 November 2016	1 August 2021	\$0.256	135,000
20 August 2019	31 August 2021	\$0.099	4,250,000
27 August 2019	31 August 2021	\$0.099	2,087,500
14 October 2019	31 August 2021	\$0.099	2,840,907
26 November 2019	25 November 2021	\$0.25	3,000,000
12 March 2020	12 March 2022	\$0.45	1,500,000
28 March 2017	1 April 2022	\$0.25	1,000,000
8 May 2017	8 May 2022	\$0.25	100,000
26 November 2019	25 November 2022	\$0.19	2,500,000
1 October 2018	1 October 2023	\$0.12	420,000
27 November 2018	27 November 2021	\$0.23	2,000,000
21 January 2019	21 January 2024	\$0.12	420,000
17 February 2020	17 February 2024	\$0.49	2,400,000
13 March 2019	12 March 2024	\$0.135	100,000
31 May 2019	31 May 2024	\$0.085	420,000
31 May 2019	31 May 2024	\$0.085	420,000
5 December 2019	5 December 2024	\$0.18	840,000
17 February 2020	23 January 2025	\$0.275	2,400,000
			29,833,407

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate. During the financial year ended 30 June 2020 the Company issued 347,561 fully paid ordinary shares at an issue price of \$0.10 per share following the exercise of 500,000 unlisted 12 March 2024 employee options with an exercise price of \$0.10 (2019: Nil).

Indemnification and Insurance of Directors and Officers

The Company indemnifies each of its Directors, Officers and Company Secretary. The Company indemnifies each Director or Officer to the maximum extent permitted by the Corporations Act 2001 from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and applications for such proceedings.

The Company must use its best endeavours to insure a Director or Officer against any liability, which does not arise out of conduct constituting a wilful breach of duty or a contravention of the Corporations Act 2001. The Company must also use its best endeavours to insure a Director or Officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

The Company has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their report on the financial report.

During the year the Company paid insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Group. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.

Non-audit services

Details of amounts paid or payable to the auditor for non-audit service provided during the year is outlined in Note 5 to the financial statements.

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the service as disclosed in Note 5 to the financial statements do not compromise the external auditor's independence, based on resolution of the directors, for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence set out in APES 110 "Code of Ethics for Professional Accountants" issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity of the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 22.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)



This remuneration report for the year ended 30 June 2020 outlines the remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001(Cth), as amended (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
4. Non-executive director fee arrangements
5. Company performance, shareholder wealth and Directors' and Executives' remuneration
6. Details of remuneration
7. Additional disclosures relating to options and shares
8. Loans to key management personnel (KMP) and their related parties
9. Other transactions and balances with KMP and their related parties

1. Introduction

Key Management Personnel (**KMP**) have authority and responsibility for planning, directing and controlling the major activities of the Group. KMP comprise the directors of the Company and identified key management personnel.

Key management personnel covered in this report are as follows:

Name	Status	Appointed	Resigned
Daniel Tillett	Non-Executive Director	Appointed 17 September 2019	
	Executive Director and Chief Scientific Officer	Appointed 30 September 2019	
	Executive Director and Chief Operating Officer	Appointed 20 May 2020	
John Cullity	Non-Executive Director	Appointed 4 April 2018	
	Non-Executive Chairman	Appointed 6 March 2020	
	Interim Executive Chairman	Appointed 20 May 2020	
William Garner	Non-Executive Chairman	Appointed 1 July 2016	
	Non-Executive Director	Appointed 6 March 2020	
Chris Ntoumenopoulos	Non-Executive Director	Appointed 27 April 2016	
Borje Andersson	Non-Executive Director	Appointed 1 February 2020	
Phillip Lynch	Independent Non-Executive Director	Appointed 1 June 2020	
Peter Molloy	Managing Director	Appointed 31 October 2016	Resigned 20 May 2020
John Rothman	Chief Scientific Officer	Appointed 1 July 2016	Resigned September 2019
Samar Al-Behaisi	Chief Medical Officer	Appointed 16 May 2018	Resigned 20 March 2020

Compensation levels for KMP are competitively set to attract and retain appropriately qualified and experienced directors and executives. The Board may seek independent advice on the appropriateness of compensation packages, given trends in comparative companies both locally and internationally and the objectives of the Company's compensation strategy.

2. Remuneration governance

The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of a separate remuneration committees. Accordingly, all matters are considered by the full Board of Directors, in accordance with a remuneration committee charter.

During the financial year, the Company did not engage any remuneration consultants.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)



3. Executive remuneration arrangements

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Compensation packages may include a mix of fixed compensation, equity-based compensation, short term incentives and employer contributions to superannuation funds. Shares and options may only be issued to directors subject to approval by shareholders in a general meeting.

At the date of this report the Company has two appointed executives, being Dr Daniel Tillett as the Executive Director and Chief Operating Officer and Dr John Cullity the Executive Chairman. The terms of his Executive Employment Agreements and other Executives engaged during the financial year with Race Limited are summarised in the following table.

Executive Name	Remuneration
Dr Daniel Tillett	Executive Director Agreement - Executive Director Appointment Letter, no Board fees for the first 12 months from appointment date, however may receive share-based compensation under the Consulting Agreement; and - The Executive Director Appointment Letter commenced on 30 September 2019 and termination is subject to provisions of Constitution or any time resignation is submitted by written notice. Chief Scientific Officer – Consulting Agreement - Consulting agreement commenced on 30 September 2019 with a 12-month terms renewable by mutual agreement; the agreement may be terminated by either party on 3 months written notice, - The position is for 2 days per week (40% of FTE) on average; and - Remuneration under the agreement was 2,500,000 options to acquire fully paid ordinary shares in Race Oncology at an exercise price equivalent to a 75% premium to the volume-weighted average closing price of the Shares over the 5-day period trading prior to the Commencement Date, rounded up to the nearest A\$0.01, options are exercisable on or before the date which is three years from the Commencement Date. Chief Operating Officer - Appointed interim role of Chief Operating Officer on 20 May 2020; and - The terms of Dr Daniel Tillett's contract are to be negotiated with the Race Board and will be announced once finalised.
Dr John Cullity	Executive Chairman - Appointed interim role of Executive Chairman on 20 May 2020; and - The terms of Dr John Cullity's contract are to be negotiated with the Race Board and will be announced once finalised.
Mr Peter Molloy (Resigned 20 May 2020)	- Executive salary of \$300,000 per annum, plus statutory superannuation; - Short Term Incentive (STI) bonuses up to 30% of salary upon meeting performance based objectives to be set by the Board from time to time; - Issued 6,000,000 Molloy Options upon settlement of the Acquisition (Issued on 1 July 2016); - Issued 4,000,000 Loan Shares upon settlement of the Acquisition (Issued on 1 July 2016) and granted the Molloy Loan to pay for the shares; - Reimbursement of reasonable business expenses incurred in the ordinary course of the business in accordance with the Group's reimbursement policies; and - This agreement commenced on 1 July 2016 and had no fixed term with termination requiring 6 months' written notice.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)



3. Executive remuneration arrangements (continued)

At this stage the Board does not consider the Company's earnings or earnings related measures to be an appropriate key performance indicator (KPI). In considering the relationship between the Company's remuneration policy and the consequences for the Company's shareholder wealth, changes in share price are analysed as well as measures such as successful completion of business development, clinical and corporate activities.

4. Non-executive director fee arrangements

The Board policy is to remunerate Non-Executive Directors at a level to comparable Companies for time, commitment, and responsibilities. Non-executive Directors do not receive performance related compensation. Directors' fees cover all main Board activities and membership of any committee. The Board has no established retirement or redundancy schemes in relation to Non-Executive Directors.

The Non-Executive Directors have or may be provided with options that are meant to incentivise the Non-Executive Directors. The board determines payments to the Non-Executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice will be sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is presently limited to an aggregate of \$300,000 per annum and any change is subject to approval by shareholders at the General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company. Fees for the Non-Executive Directors for the financial year were \$206,962 (2019: \$217,088) and cover main Board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company.

At the AGM held on 22 November 2019, 95% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2019.

5. Company performance, shareholder wealth and Directors' and Executives' remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and Executives' performance. This will be facilitated through the issue of the Employee Incentive Option ("Plan") to Directors and Executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. The Plan will provide ongoing incentives to Eligible Participants, Eligible Participants include;

- a) a Director (executive or non-executive) of the Company;
- b) a full time or part time employee of the Company; and
- c) a casual employee or contractor of the Company to the extent permitted by the class order.

The purpose of the plan is to:

- a) assist in the reward, retention and motivation of Eligible Participants;
- b) link the reward of Eligible Participants to the performance and creation of shareholder value;
- c) align the interests of Eligible Participant's more closely with the interests of Shareholders by providing an opportunity for Eligible Participants to received Shares;
- d) provide greater incentive for Eligible Participants to focus on the Company's longer term goals; and
- e) provide Eligible Participants with the opportunity to share in any future growth in value of the Company.

The objective of the Plan is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of Eligible Participants.

The remuneration policy includes an Employee incentive option plan. The board of the Company may grant options under the option plan (ESOP options) to any full or part time employees or director of the Company, and in accordance with, any necessary ASIC relief being obtained, a casual employee to contractor of the Company. Each ESOP option will be issued for nil cash consideration and is exercisable into on share ranking equally in all respects with the existing issued shares.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)



6. Details of Remuneration

	Short Term Salary, Fees & Commissions	Post Employment Superannuation	Other/ Bonus ¹	Share-based payment ²	Total	Performance based remuneration
30 June 2020	\$	\$	\$	\$	\$	\$
Directors:						
Daniel Tillett	-	-	-	147,001 ³	147,001	-
John Cullity	60,000	-	-	101,584	161,584	-
William Garner	108,833	-	-	54,208	163,041	-
Chris Ntoumenopoulos	48,000	-	-	54,208	102,208	-
Borje Andersson	-	-	-	161,223 ⁴	161,223	-
Phillip Lynch ⁵	3,653	347	-	-	4,000	-
Peter Molloy ⁶	455,927	21,003	79,890	-	556,820	-
Key Management:						
John Rothman ⁷	19,461	-	-	-	19,461	-
Samar Al-Behaisi ⁸	180,977	-	-	-	180,977	-
Total	876,851	21,350	79,890	518,224	1,496,315	-

	Short Term Salary, Fees & Commissions	Post Employment Superannuation	Other/ Bonus ¹	Share-based payments	Total	Performance based remuneration
30 June 2019	\$	\$	\$	\$	\$	\$
Directors:						
Peter Molloy	300,000	20,531	45,000	51,133	416,664	-
John Rothman	185,605	-	-	-	185,605	-
William Garner	121,000	-	-	-	121,000	-
Chris Ntoumenopoulos	48,000	-	-	-	48,000	-
John Cullity	48,088	-	-	81,441	129,529	-
Key Management:						
Gordon Beck ⁹	64,311	-	-	34,934	99,245	-
Samar Al-Behaisi	258,277	-	-	221,220	479,497	-
Total	1,025,281	20,531	45,000	388,728	1,479,540	-

¹ As per Mr. Molloy's employee agreement, his annual Short Term Incentive (STI) bonus is capped at 30% of Salary. Mr. Molloy was granted a STI bonus payment for the year ending 30 June 2020 was equivalent to 100% of his bonus entitlement until his resignation date and for the year ending 30 June 2019 equivalent to 50% of his bonus entitlement for the financial year.

² The value of the options granted to key management personnel as part of their remuneration is calculated as at the grant date using the Black Scholes method. The amounts disclosed as part of remuneration for the financial year were issued and vested within the period.

³ Daniel Tillett's share based payment for the year ended 30 June 2020 was apportioned over a 12 month period with 9 months expense recognised in FY20.

⁴ Appointed 1 February 2020. Borje Andersson's share based payment for the year ended 30 June 2020 was apportioned over a 12 month period with 5 months expense recognised in FY20.

⁵ Appointed 1 June 2020.

⁶ Resigned 20 May 2020. His remuneration for the year ending 30 June 2020 includes his termination payments.

⁷ Resigned September 2019.

⁸ Resigned 20 March 2020.

⁹ Resigned 25 September 2018.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)



7. Additional disclosures relating to options and shares

Options awarded, vested and lapsed during the year

The table below discloses the number of share options granted, vested or lapsed during the year.

Share options do not carry any voting or dividend rights, and can only be exercised once the vesting conditions have been met, until their expiry date.

KMP Shareholdings

The number of ordinary shares¹ in Race Oncology Limited held by each KMP of the Group during the financial year is as follows:

30 June 2020	Balance at the start of the year	Granted as Remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of Year
Directors					
Daniel Tillett	8,758,421 ²	-	-	441,579	9,200,000
Peter Molloy ³	4,305,004	-	-	-	4,305,004
John Cullity	-	-	-	3,787,878	3,787,878
William Garner	11,741,862	-	-	2,295,912 ⁴	14,037,774
Chris Ntoumenopoulos	660,097	-	-	378,787	1,038,884
Borje Andersson ⁵	-	-	-	-	-
Phillip Lynch ⁶	333,333 ⁶	-	-	85,816	419,149
Key Management					
John Rothman ⁷	1,884,674	-	-	(600,000)	1,284,674
Samar Al-Behaisi ⁸	-	-	347,561	-	347,561
Total	27,575,695	-	347,561	6,389,972	34,420,924

30 June 2019	Balance at the start of the year	Granted as Remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of Year
Directors					
Peter Molloy	4,120,000	-	-	185,004	4,305,004
William Garner ¹⁰	15,200,000	-	-	(3,458,138)	11,741,862
Chris Ntoumenopoulos	606,250	-	-	53,847	660,097
John Cullity	-	-	-	-	-
Key Management					
John Rothman	-	-	-	1,884,674	1,884,674
Gordon Beck ⁹	-	-	-	-	-
Samar Al-Behaisi	-	-	-	-	-
Total	19,926,250	-	-	(1,442,309)	18,591,637

¹ Includes options or shares held directly, indirectly and beneficially by KMP.

² Balance at the date Daniel Tillett was appointed an Executive Director on 30 September 2019.

³ Resigned 20 May 2020 - balance at date of resignation.

⁴ Other changes during the financial year for Mr William Garner include; the conversion of 5 million performance shares into ordinary shares, participation in a placement, off-market share sale to strategic investor and off-market transfer of shares to other shareholders of Update Pharma.

⁵ Appointed 1 February 2020.

⁶ Appointed 1 June 2020.

⁷ Resigned September 2019 - balance at date of resignation.

⁸ Resigned 20 March 2020 - balance at date of resignation.

⁹ Resigned 25 September 2018.

¹⁰ It was identified in the current financial year that 107,696 shares received by Dr Garner's wife on 8 February 2019 should have been recognised as part of Dr Garner's holdings in the 2019 financial year.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)



7. Additional disclosures relating to options and shares (continued)

KMP Options holdings

The number of options¹ over ordinary shares held by each KMP of the Group during the financial year is as follows:

	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year ²	Balance at the end of the year	Vested and exercisable	Unvested
30 June 2020							
Directors							
Daniel Tillett ³	4,250,000	2,500,000	-	-	6,750,000	6,750,000	-
Peter Molloy ⁴	6,000,000	-	-	-	6,000,000	6,000,000	-
John Cullity	2,000,000	1,000,000	-	1,893,939	4,893,939	4,393,939	500,000
William Garner	-	1,000,000	-	757,575	1,757,575	1,757,575	-
Chris Ntoumenopoulos	2,000,000	1,000,000	-	(1,810,607)	1,189,393	1,189,393	-
Borje Andersson	1,680,000 ⁵	2,400,000	-	-	4,080,000	2,260,000	1,820,000
Phillip Lynch ⁶	-	-	-	-	-	-	-
Key Management							
John Rothman ⁷	3,000,000	-	-	-	3,000,000	3,000,000	-
Samar Al-Behaisi ⁸	2,000,000	-	(500,000)	(1,500,000)	-	-	-
Total	20,090,000	8,740,000	(500,000)	(659,093)	27,670,907	25,350,907	2,320,000

	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year ²	Balance at the end of the year	Vested and exercisable	Unvested
30 June 2019							
Directors							
Peter Molloy	6,000,000	-	-	-	6,000,000	6,000,000	-
William Garner	-	-	-	-	-	-	-
Chris Ntoumenopoulos	7,000,000	-	-	(5,000,000)	2,000,000	2,000,000	-
John Cullity	-	2,000,000	-	-	2,000,000	500,000	1,500,000
Key Management							
John Rothman	3,000,000	-	-	-	3,000,000	3,000,000	-
Gordon Beck ⁹	1,500,000	-	-	-	1,500,000	1,500,000	-
Samar Al-Behaisi	1,500,000	500,000	-	-	2,000,000	750,000	1,250,000
Total	19,000,000	2,500,000	-	(5,000,000)	16,500,000	13,750,000	2,750,000

¹ Includes options or shares held directly, indirectly and beneficially by KMP.

² Other changes include options issued that have expired during the year.

³ Daniel Tillett was appointed an Executive Director on 30 September 2019.

⁴ Resigned 20 May 2020 - balance at date of resignation.

⁵ Balance at the date Professor Borje Andersson was appointed a Non-Executive Director 1 February 2020.

⁶ Appointed 1 June 2020.

⁷ Resigned September 2019 - balance at date of resignation.

⁸ Resigned 20 March 2020 - balance at date of resignation.

⁹ Resigned 25 September 2018.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)



7. Additional disclosures relating to options and shares (continued)

KMP performance shares holdings

With the exception of William Garner, no KMP of the Group held performance shares during the financial year:

	Balance at the start of the year	Granted during the year as remuneration	Exercised during the year	Other changes during the year	Balance at the end of the year
30 June 2020					
Directors					
William Garner	5,000,000	-	(5,000,000)	-	-
Total	5,000,000	-	(5,000,000)	-	-

	Balance at the start of the year	Granted during the year as remuneration	Exercised during the year	Other changes during the year	Balance at the end of the year
30 June 2019					
Directors					
William Garner	10,000,000	-	(5,000,000)	-	5,000,000
Total	10,000,000	-	(5,000,000)	-	5,000,000

8. Loans to KMP and their related parties

Employee loan shares

Remuneration in the form of Employee Loan Shares were issued to the Managing Director, Peter Molloy, upon settlement of the Company's acquisition of intellectual property from Update Pharma Inc. The acquisition of intellectual property was completed on 1 July 2016.

The Loan Shares represent an option arrangement. Due to vesting conditions attached to the loan shares, these shares are expensed over the vesting period. The key terms of the Employee Share Plan and of the loan provided under the plan are as follows:

- i. The total loan is \$800,000 (equivalent to \$0.20 per share), which was deemed to have been draw down at Settlement and issuance of the Loan Shares.
- ii. The Loan is repayable on the earlier of:
 - a) The date that is 5 business days following Mr Molloy ceasing to be employed by the Company; and
 - b) The date that is 5 years from the date of issue of the Loan Shares.
- iii. The Loan is interest free.
- iv. All or part of the loan may be repaid prior to the loan repayment date.

Repayment date

- v. Notwithstanding paragraph iv. above, Mr. Molloy ("the holder") may repay all or part of the loan at any time before the repayment date; and
- vi. The loan will be limited recourse such that on the repayment date, the repayment obligation under the limited recourse loan will be limited in that
 - a) The amount of the loan repayable to the Company shall not be greater than the amount receivable from the sale of the loan shares; and
 - b) The loan may be fully satisfied by the Holder's return of the loan shares to the Company.

Sale of Loan Shares

- vii. In accordance with the terms of the Voluntary Restriction Agreement, the Loan Shares cannot be sold, transferred, assigned, charged or otherwise encumbered until expiration of the Restriction Period.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)



8. Loans to KMP and their related parties (continued)

Vesting conditions

The loan shares are subject to the following conditions, which conditions shall cease to apply upon the holder remaining continually employed by the Company throughout the vesting period:

- (a) The Loan Shares vested over 2 years and are now fully vested.
- (b) The Loan Shares are not transferable.

On 20 May 2020, Mr Molloy ceased to be employed by the Company, resigning as the Managing Director, thus the Loan became repayable 5 business days following his resignation date. On 28 May 2020 the Company announced it had agreed to grant an extension of time to repay the limited recourse loan, until 18 June 2020.

On the 16 June 2020, the Company announced the Company had agreed with Mr Molloy that, subject to shareholder approval at the AGM to be held on 11 August 2020, the Loan will be repaid through a selective buy-back and cancellation of \$800,000 worth of Loan Shares under Part 2J.1, Division 2 of the Corporations Act (Buy-Back).

Subject to shareholder approval, the Company will buy-back 2,222,222 Loan Shares at a price of \$0.36 per Buy-Back Share (being the volume weighted average price for shares in the Company for the five trading day period up to and including 18 May 2020, being the day on which Mr Molloy gave notice to his company of his resignation). Shareholder approval was given for the Buy-Back Shares on 11 August 2020.

On completion of the Buy Back, the Loan will be deemed to have been fully and finally repaid, and the Company will lift the holding lock on the remaining 1,777,778 Loan Shares held by Mr Molloy.

9. Other transactions and balances with KMP and their related parties

Purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Company acquired no services from entities that are controlled by members of the Company's key management personnel.

Consultancy Agreements

The terms of Consultancy Agreements engaged during the financial year with Race Limited are summarised in the following table.

Prof. Borje Andersson	Consultant • Prior to appointment as a Director on 01 February 2020 a consulting agreement was executed on the 21 January 2019 for 12 months renewable by mutual agreement. • Remuneration under the agreement was the issue of options: ○ 420,000 options issued on 21 January 2019 ○ 420,000 options issued on 31 May 2019 ○ 840,000 options issued on 5 December 2019
Mr. John Rothman (Resigned September 2019) ¹	Chief Scientific Officer • Consulting agreement commenced on 1 July 2016 and has no term until engagement is terminated, which is 3 months' written notice; • Remuneration under agreement was US\$200,000 per annum; • Entitled to a cash bonus of up to 20% of the salary payable upon meeting performance-based objectives set by the Board; and • Issued 3,000,000 Rothman Options upon settlement of the Acquisition (issued on 1 July 2016).

¹ From September 2018, Mr Rothman stepped down from full-time role and continued on a part-time basis until the end of December 2018; subsequently Mr. Rothman agreed to provide consulting services to the Company to assist with the IND (Investigational New Drug application) until September 2019.

9. Other transactions and balances with KMP and their related parties (continued)

Consultancy Agreements

Dr. Samar Al-Behaisi (Resigned 20 March 2020)	Chief Medical Officer • Consulting agreement commenced on 16 May 2018 and has no term until engagement is terminated, which is 3 months' written notice; • Remuneration under agreement was Euro 162,000 per annum; • Entitled to a cash bonus of up to 20% of the salary payable upon meeting performance-based objectives set by the Board; • Granted 1,500,000 Consultant Share Options vesting annually over two years starting the commencement date; • 750,000 of the Options granted had vested and lapsed as a result of vesting conditions not met; and • 750,000 of the Options granted had vested and lapsed as a result of terminated agreement.
--	--

Remuneration Report - End

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read "Daniel Tillet".

Dr Daniel Tillet
Executive Director
Dated 27 August 2020

**Bentleys Audit & Corporate
(WA) Pty Ltd**

London House

Level 3,

216 St Georges Terrace

Perth WA 6000

PO Box 7775

Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Partner for the audit of the financial statements of Race Oncology Limited for the financial year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully



BENTLEYS
Chartered Accountants



MARK DELAURENTIS CA
Partner

Dated at Perth this 27th day of August 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020



	Note	2020 \$	2019 \$
Interest received		9,316	17,355
Other income	3	256,440	228,501
Administrative expenses		(24,647)	(20,787)
Accounting and audit fees		(86,431)	(81,268)
Amortisation	11	(281,196)	(281,196)
Business development and marketing		(104,060)	(244,268)
R&D Manufacturing and distribution		(443,190)	(559,577)
Corporate advice expenses		(169,322)	(98,400)
Non-Executive Director fees		(206,962)	(217,088)
Employee benefits expense		(252,161)	(56,585)
Research and development expense		(1,276,645)	(1,365,471)
Share based payment expense	16	(1,093,307)	(812,042)
Share registry expense		(8,091)	(6,229)
Travel and accommodation		(13,988)	(19,135)
Other expenses		(151,721)	(143,212)
Loss from ordinary activities before income tax expense		(3,845,965)	(3,659,402)
Income tax expense relating to ordinary activities	7	-	-
Loss from ordinary activities after income tax expense		(3,845,965)	(3,659,402)
Foreign currency translation (net of tax)		173	411
Total comprehensive loss for the year attributable to members of the Company		(3,845,792)	(3,658,991)
Basic earnings/(loss) per share (cents per share)	6	(3.6)	(4.6)
Diluted earnings/(loss) per share (cents per share)	6	(3.6)	(4.6)

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	8	1,730,773	988,714
Trade and other receivables	9	48,918	611
Other assets	10	217,253	34,762
TOTAL CURRENT ASSETS		1,996,944	1,024,087
NON-CURRENT ASSETS			
Intangible assets	11	3,936,742	4,217,938
TOTAL NON-CURRENT ASSETS		3,936,742	4,217,938
TOTAL ASSETS		5,933,686	5,242,025
CURRENT LIABILITIES			
Trade and other payables	12	239,520	158,369
Provisions	13	4,131	33,750
TOTAL CURRENT LIABILITIES		243,651	192,119
TOTAL LIABILITIES		243,651	192,119
NET ASSETS / (LIABILITIES)		5,690,035	5,049,906
EQUITY			
Issued and unissued capital	14	19,660,008	15,422,621
Reserve	15	2,600,587	3,854,997
Reserve shares	14b	(800,000)	(800,000)
Accumulated losses		(15,770,560)	(13,427,712)
TOTAL EQUITY		5,690,035	5,049,906

The Statement of Financial Position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020



	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2018	14,456,463	4,284,736	(10,810,502)	7,930,697
Loss for the year	-	-	(3,659,402)	(3,659,402)
Other comprehensive income	-	411	-	411
Total comprehensive income for the year	-	411	(3,659,402)	(3,658,991)
Transactions with owners, recognised directly in equity				
Conversion of performance shares	1,000,000	(1,000,000)	-	-
Share based payments	-	812,042	-	812,042
Extinguishment of options	-	(1,042,192)	1,042,192	-
Capital raising costs	(33,842)	-	-	(33,842)
Balance at 30 June 2019	15,422,621	3,054,997	(13,427,712)	5,049,906

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2019	15,422,621	3,054,997	(13,427,712)	5,049,906
Loss for the year	-	-	(3,845,965)	(3,845,965)
Other comprehensive income	-	173	-	173
Total comprehensive income for the year	-	173	(3,845,965)	(3,845,792)
Transactions with owners, recognised directly in equity				
Conversion of performance shares	1,000,000	(1,000,000)	-	-
Shares issued	3,246,000	-	-	3,246,000
Share based payments	-	1,276,049	-	1,276,049
Extinguishment of options	-	(1,503,117)	1,503,117	-
Exercise of options	122,315	(27,515)	-	94,800
Shares applied but unissued	11,138	-	-	11,138
Capital raising costs	(142,066)	-	-	(142,066)
Balance at 30 June 2020	19,660,008	1,800,587	(15,770,560)	5,690,035

The Statement of Changes in Equity should be read in conjunction with the accompanying notes

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Other income		63,758	-
Interest received		9,316	17,355
Research and development refund received		159,371	228,501
Payments for research and development		(1,296,713)	(1,367,607)
Payment for business development and marketing		(77,402)	(358,696)
Payment for manufacturing and distribution		(404,081)	(522,145)
Payments to suppliers and employees		(917,332)	(671,410)
Net Cash Used in Operating Activities	17b	(2,463,083)	(2,674,002)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Cash Provided by Investing Activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shares issued		3,246,000	-
Proceeds from shares yet to be issued		11,138	-
Proceeds issue of shares on exercise of options		94,800	-
Capital raising costs		(142,066)	(33,842)
Net Cash from Financing Activities		3,209,872	(33,842)
Net increase / (decrease) in cash held		746,787	(2,707,844)
Foreign currency translation		(4,730)	(13,440)
Cash at beginning of the year		988,714	3,709,998
Cash at end of the year	17a	1,730,773	988,714

The Statement of Cash Flows should be read in conjunction with the accompanying notes

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements cover Race Oncology Limited (Company) and its controlled entities as a consolidated entity (referred to as the consolidated entity). Race Oncology Limited is a company limited by shares, incorporated and domiciled in Australia. The Company is a for-profit entity. The Company's financial statements are presented in Australian dollars.

The financial statements were issued in accordance with a resolution by the board of directors 27 August 2020 by the directors of the Company.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation of the financial report

a) Statement of Compliance

The Financial Report is a General Purpose Financial Report, which has been prepared in accordance with Australian Accounting Standards Board (AASB) (including Australian Accounting interpretations and other authoritative pronouncements) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Financial Report of the Company complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

b) Basis of preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The consolidated entity incurred a loss for the year ended 30 June 2020 of \$3,845,965 (2019: \$3,659,402) and net cash outflows from operating activities of \$2,463,083 (2019: \$2,674,002).

The Directors have prepared a cash flow forecast which indicates that the consolidated entity will have sufficient cash flows to meet all commitments and working capital requirements for the 12 months period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

c) Income Tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Income Tax (continued)

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d) Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the assets or liability, assuming the market participants acts in their economic best interests.

The consolidated entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Financial Instruments (continued)

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit and loss through the amortisation process and when the financial liability is derecognised.

Derivative instruments

The consolidated entity does not trade or hold derivatives.

Financial guarantees

The consolidated entity has no material financial guarantees.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the Company of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a Company of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e) Impairment of Assets

At the end of each reporting period, the consolidated entity assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Intangible assets other than Goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the consolidated entity can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- The ability to use the intangible asset generated

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Patents

The Company made upfront payments to purchase patents. The patents, if granted, will have a life of 20 years in each jurisdiction where they are granted.

As a result, those patents are amortised on a straight-line basis over the remaining anticipated life of the patent.

g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks with original maturity of three months or less.

h) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is brought to account on an accruals basis using the effective interest rate method and, if not received at the end of the reporting period, is reflected in the statement of financial position as a receivable.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivable and payables are stated inclusive of the amount of GST receivable or payable. The net amount of the GST recoverable from, or payable to, the ATO is included with other receivables and payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

j) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

Equity-settled compensation

The consolidated entity operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. The fair value of performance right options is determined using the satisfaction of certain performance criteria (Performance Milestones). The number of shares option and performance rights expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. The fair value is determined using either a black-scholes or monte-carlo simulation model depending on the type of share-based payment

Employee loan shares

Refer to Note 14(b) for detailed terms and conditions of the Employee loan shares.

k) Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

l) Segment Information

Identification of reportable segments

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

During the year, the consolidated entity is operated in two segments, being research into oncology drug, Bisantrene and the manufacturing and distribution of the drug for clinical trials. Accordingly the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environment in which it operates.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to member of the parent entity, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year (if any).

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

n) Comparative Information

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. When the consolidated entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

o) Critical Accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

Key Estimates

Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the consolidated entity as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Share-based payments

The value attributed to share options and remuneration shares issued is an estimate calculated using an appropriate mathematical formula based on Black-Scholes option pricing model. The choice of models and the resultant option value require assumptions to be made in relation to the likelihood and timing of the conversion of the options to shares and the value and volatility of the price of the underlying shares. Details of share-based payments assumptions are detailed in Note 16.

Amortisation of patents

Costs incurred in acquiring patents and licenses are capitalised and amortised on a straight line basis over the life of the patent. Costs include only those costs directly attributable to the acquisition of the patents and licences. The recoverability of the carrying amount of the capitalised patent costs is dependent on the ability of the consolidated entity to generate positive cash inflows from the future development and sale of its pharmaceutical products.

NOTE 2. KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to Key Management Personnel during the year are as follows:

	2020	2019
	\$	\$
Short-term employee benefits	956,741	1,070,281
Post-employment benefits	21,350	20,531
Equity Settled	518,224	388,728
Total KMP Compensation	1,496,315	1,479,540

Refer to the remuneration report contained in the director's report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2020.

NOTE 3. OTHER INCOME

	2020	2019
	\$	\$
Other income		
- Research and development tax incentive	159,371	228,501
- ATO Cashflow Boost, COVID-19 business incentive	83,311	-
- Expense recovery of Bisantrone to a Paris hospital	13,758	-
	256,440	228,501

NOTE 4. LOSS FOR THE YEAR

	2020	2019
	\$	\$
Profit/(Loss) before income tax from continuing operations includes the following specific expenses:		
- Rental of office	3,366	4,109
- Unrealised foreign exchange	(367)	(1,067)
	2,999	3,042

NOTE 5. AUDITOR'S REMUNERATION

	2020	2019
	\$	\$
Auditor remuneration		
- auditing or reviewing the financial reports (Bentleys)	35,931	27,800
	35,931	27,800
Other non-audit remuneration		
- Tax compliance services (Bentleys)	2,500	2,500
	2,500	2,500

NOTE 6. LOSS PER SHARE

	2020	2019
	\$	\$
Loss per share (EPS)		
(a) Loss used in calculation of basic EPS and diluted EPS	3,845,965	3,659,402
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic loss per share	106,594,738	79,844,032
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	106,594,738	79,844,032

NOTE 7. INCOME TAX

	2020	2019
(a) Income tax expense / (benefit)	\$	\$
Current tax	-	-
Deferred tax	-	-
	-	-

(b) Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

Operating loss	(3,845,965)	(3,659,402)
- Income tax calculated at 27.5% (2019: 30%)	(1,057,640)	(1,097,822)
<i>Non-deductible items</i>		
Share based payment expense	300,659	243,613
Other non-deductible expenses	553,223	352,737
Other reconciling items	-	-
Non-assessable income	(43,827)	(68,550)
Deferred tax (liabilities)/asset not brought to account	247,585	570,022
Income tax attributable to operating loss	-	-

(c) Deferred tax (liabilities)/assets

Tax Losses	2,647,963	2,360,200
Other	143,473	147,574
Total deferred tax asset	2,791,437	2,507,774
Set-off deferred tax liabilities	-	-
Less deferred tax assets not recognised	(2,791,437)	(2,507,774)
Net deferred tax assets	-	-

(d) Deferred tax liabilities

Other	-	-
Total deferred tax liabilities	-	-
Set-off deferred tax assets	-	-
Net deferred tax liabilities	-	-

(e) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	9,603,318	8,034,430
Potential tax benefit @ 27.5% (2019: 30%)	2,640,912	2,410,329

The benefit for tax losses will only be obtained if:

- The company and consolidated entity derive future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- The company and the consolidated entity continue to comply with the conditions for deductibility imposed by law; and
- No changes in tax legislation adversely affect the ability of the Company and consolidated entity to realise these benefits.

NOTES TO THE FINANCIAL STATEMENTS



NOTE 8. CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash on hand	1,730,773	988,714

The effective interest rate on cash and cash equivalents was 0.69% (30 June 2019: 0.74%).

NOTE 9. TRADE AND OTHER RECEIVABLES

	2020	2019
	\$	\$
Other receivables	48,918	611
	48,918	611

NOTE 10. OTHER ASSETS

	2020	2019
	\$	\$
Prepayment	34,513	34,762
Prepayment – share based payment	182,741	-
	217,254	34,762

NOTE 11. INTANGIBLE ASSETS

	2020	2019
	\$	\$
At cost – intellectual property	5,000,000	5,000,000
Accumulated amortisation	(1,063,258)	(782,062)
Total intangible assets	3,936,742	4,217,938

	Intellectual Property
Movement during the year	
Balance at 1 July 2019	4,217,938
Amortisation expense	(281,196)
Balance at 30 June 2020	3,936,742

Intellectual property totalling \$5,000,000 comprises patents and licenses initially acquired by the Company and pertain to the oncology drug, called Bisantrene. The initial acquisition of intellectual property was supported by 2 patent applications. Subsequent to the initial patent applications the Company strategy has evolved to include a total of four patent families. The portfolio of patents is a robust program and the two most recent patent applications expands Bisantrene's protected use of combination therapies. The patent useful life has been aligned to the patent term and as a result, those patents are amortised on a straight-line basis over the period of the patent. The amortisation expense has been included in the line item 'amortisation' in profit or loss.

The Directors do not consider there have been any indicators of impairment of the acquired intangible asset during the year up until the date of this report.

NOTE 12. TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
Trade and other creditors	132,571	100,149
Accruals	106,949	58,220
	239,520	158,369

All amounts are short-term. The carrying values of trade payables and other payables are considered to approximate fair value.

NOTE 13. PROVISIONS

	2020	2019
	\$	\$
CURRENT		
Provision for annual leave	4,131	33,750
	4,131	33,750

NOTE 14. ISSUED AND UNISSUED CAPITAL

	Note	2020	2019
		\$	\$
Opening balance		15,422,621	14,456,463
Shares issued during the year		3,246,000	-
Shares issued on conversion of performance shares	15	1,000,000	1,000,000
Shares applied for but unissued		11,138	-
Exercise of options		122,315	-
Less: capital raising costs		(142,066)	(33,842)
		19,660,008	15,422,621

The Company has issued share capital amounting to 116,450,037 (2019: 82,235,813) ordinary shares of no par value and the Company does not have a limited amount of authorised capital.

	2020	2019
	No.	No.
a. Ordinary shares		
At beginning of year	82,235,813	75,735,813
Shares issued during the year	34,214,224	6,500,000
At end of the year	116,450,037	82,235,813

At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Reserve Shares	Date	Quantity	Unit Price \$	Total \$
Reserve shares (loan shares)	1 July 2016	4,000,000	\$0.20	800,000
Balance at 30 June 2020		4,000,000		800,000

Employee loan shares

Remuneration in the form of Employee Loan Shares were issued to the Managing Director, Peter Molloy, upon settlement of the Company's acquisition of intellectual property from Update Pharma Inc. The acquisition of intellectual property was completed on 1 July 2016.

The Loan Shares represent an option arrangement. Due to vesting conditions attached to the loan shares, these shares were expensed over the vesting period. The key terms of the Employee Share Plan and of the limited resource loan provided under the Plan are:

- The total loan were \$800,000, which shall be deemed to have been draw down at Settlement upon issued of the Loan Shares.
- The Loan is repayable on the earlier of:
 - The date that is 5 business days following Mr Molloy ceasing to be employed by the Company; and
 - The date that is 5 years from the date of issue of the Loan Shares.
- The Loan shall be interest free.
- All or part of the loan may be repaid prior to the Loan repayment Date.

NOTE 14. ISSUED AND UNISSUED CAPITAL (CONTINUED)**Repayment date**

- v. Notwithstanding paragraph iv. Above, Mr. Molloy (“the holder”) may repay all or part of the loan at any time before the repayment date; and
- vi. The loan will be limited recourse such that on the repayment date, the repayment obligation under the limited recourse loan will be limited in that
 - (a) The amount of the loan repayable to the Company shall not be greater than the amount receivable from the sale of the loan shares; and
 - (b) The loan may be fully satisfied by the Holder’s return of the loan shares to the Company.

Sale of Loan Shares

- vii. In accordance with the terms of the Voluntary Restriction Agreement, the Loan Shares cannot be sold, transferred, assigned, charged or otherwise encumbered until expiration of the Restriction Period.

Vesting conditions

The loan shares are subject to the following conditions, which conditions shall cease to apply upon the holder remaining continually employed by the Company throughout the vesting period:

- (a) The Loan Shares vested over 2 years and are now fully vested.
- (b) The Loan Shares are not transferable.

On 20 May 2020, Mr Molloy ceased to be employed by the Company, resigning as the Managing Director, thus the Loan became repayable 5 business days following his resignation date. On 28 May 2020 the Company announced it had agreed to grant an extension of time to repay the limited recourse loan, until 18 June 2020.

On the 16 June 2020, the Company announced the Company had agreed with Mr Molloy that, subject to shareholder approval at the General Meeting held on 11 August 2020, the Loan will be repaid through a selective buy-back and cancellation of \$800,000 worth of Loan Shares under Part 2J.1, Division 2 of the Corporations Act (Buy-Back). Shareholder approval was given for the Buy-Back Shares on 11 August 2020.

c. Capital management

Due to the nature of the Group’s activities, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group’s capital risk management is the current working capital position against the requirements of the Group to meet due diligence programs and corporate overheads. The Group’s strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

NOTE 15. RESERVE	Note	2020	2019
		\$	\$
Opening balance		3,854,997	5,084,736
Foreign currency translation (net of tax)		173	411
Conversion of Performance Shares to Ordinary Shares	14	(1,000,000)	(1,000,000)
Share based payment expense	16	1,276,049	812,042
Extinguishment of options		(1,503,117)	(1,042,192)
Exercise of options		(27,515)	-
Closing balance		2,600,587	3,854,997

NOTE 15. RESERVE (CONTINUED)**a. Performance Shares Issued**

Details of the performance shares of Race Oncology Limited are as follows:

Grant Date	Vesting Dates	Expiration dates	Number of rights issued	Undiscounted Value per Right at Grant Date
1 July 2016	Satisfaction of milestones	36 months from grant date	10,000,000	20 cents

Performance share values at grant date were determined using the performance milestones summarised in the table below. Each Performance share will vest as one (1) Share subject to the satisfaction of certain performance criteria ("Performance Milestones").

The Company have assessed all the performance milestones had been achieved as at 30 June 2019 and attributed an undiscounted grant date fair value of \$0.20 per performance share to the instruments, being the initial Public Offer price of the Company's shares.

On 21 December 2018, the Company issued 5,000,000 fully paid ordinary shares following the conversion of Milestone (i) Performance Shares. On 12 July 2019 the remaining 5,000,000 performance shares were converted into fully paid ordinary shares following the conversion of Milestone (ii) Performance Shares.

Refer to Note 16 for additional information on Performance Shares.

NOTE 16. SHARE BASED PAYMENTS

The following share based payment arrangement existed at 30 June 2020:

On 1 July 2016, the following loan shares and options were issued:

- (a) 4,000,000 loan shares and 6,000,000 Options (exercisable at \$0.25 and expiring 5 years from the date of issue, being 1 July 2021) to Mr Peter Molloy (or his nominee), Managing Director and Chief Executive Officer; and
- (b) 3,000,000 Options (exercisable at \$0.25 and expiring 5 years from the date of issue, being 1 July 2021) to John Rothman (or his nominee), Chief Scientific Officer.

On 28 March 2017, 1,500,000 unlisted options exercisable at \$0.25 each on or before 1 April 2022, with 750,000 vesting on 1 April 2018 and 750,000 vesting on 1 April 2019 were issued pursuant to Gordon Beck variation consultancy agreement dated 21 March 2017.

On 8 May 2017, 100,000 unlisted options exercisable at \$0.25 each on or before 8 May 2022 were issued pursuant to terms of Incentive Option Plan to Peter Webse.

On 1 October 2018, the Company issued 420,000 unlisted options exercisable at \$0.12 and expiring on or before 1 October 2023. The options were issued for the provision of consultancy services.

On 27 November 2018, the Company issued 2,000,000 unlisted options to a Director John Cullity, exercisable at \$0.23 and expiring on or before 27 November 2021.

On 22 January 2019, the Company issued 420,000 unlisted options exercisable at \$0.12 and expiring on or before 21 January 2024. The options were issued pursuant to a consultancy agreement with Professor Borje Andersson.

On 13 March 2019, the Company issued 100,000 options issued pursuant to the Plan exercisable at \$0.135 and expiring on or before 12 March 2024.

On 31 May 2019, the Company issued 840,000 unlisted options exercisable at \$0.085 and expiring on or before 31 May 2024. The options were issued to consultants for services performed.

NOTE 16. SHARE BASED PAYMENTS (CONTINUED)

On 20 August 2019, the Company announced it had completed a placement of \$1.45million. Options issued for the placement include the following:

- On 20 August 2019, the Company issued 4,250,000 options exercisable at \$0.099 and expiring on 31 August 2021;
- On 27 August 2019, the Company issued 2,500,000 options exercisable at \$0.099 and expiring on 31 August 2021; and
- On 14 October 2019, the Company issued 4,204,542 options exercisable at \$0.099 and expiring on 31 August 2021.

957,575 options were exercised for the period until 30 June 2020, with 9,996,967 placement options still on issue at 30 June 2020.

On 26 November 2019, the Company issued 2,500,000 unlisted options exercisable at \$0.19 each on or before 25 November 2022, pursuant to the terms and conditions of appointment of Dr Daniel Tillett as an Executive Director of the Company. The Company also issued 3,000,000 unlisted options exercisable at \$0.25 each on or before 25 November 2021, issued to Non-Executive Directors.

On 5 December 2019, the Company issued 840,000 unlisted options exercisable at \$0.18 each on or before 5 December 2024, issued to Professor Borje Andersson in recognition of the services to be provided by him in relation to the Clinical Advisory Board.

On 28 January 2020, the Company issued 2,400,000 unlisted options exercisable at \$0.275 each on or before 23 January 2025, issued to Professor Borje Andersson in lieu of Director fees pursuant to his terms of appointment as a Non-Executive Director.

On 17 February 2020, the Company issued 2,400,000 unlisted options exercisable at \$0.49 each on or before 17 February 2024, issued to Marinella Messina under the employee incentive option plan.

On 12 March 2020, the Company issued 1,500,000 unlisted options exercisable at \$0.45 each on or before 12 March 2022, issued to Nascent Capital as part of the placement on 12 March 2020.

Share based payments expense as disclosed in the profit and loss for the financial year:

Recipient	Class of SBP	Quantity	Share price at Grant date	Value recognised during the year	Value to be recognised in future years
Daniel Tillett	Unlisted Options	2,500,000	\$0.150	147,001 ¹	49,000
Willian Garner	Unlisted Options	1,000,000	\$0.150	54,208	-
Chris Ntoumenopoulos	Unlisted Options	1,000,000	\$0.150	54,208	-
John Cullity	Unlisted Options	1,000,000	\$0.150	54,208	-
Borje Andersson	Unlisted Options	420,000	\$0.063	14,174	-
Tom Lee	Unlisted Options	420,000	\$0.063	14,174	-
Borje Andersson	Unlisted Options	840,000	\$0.170	82,117	12,124
Borje Andersson	Unlisted Options	420,000	\$0.099	6,723	-
Advisor options	Unlisted Options	420,000	\$0.095	711	-
John Cullity	Unlisted Options	2,000,000	\$0.125	47,376	4,949
Peter Webse	Unlisted Options	100,000	\$0.077	3,630	-
Samar Al-Behaisi	Exercise of options	500,000	\$0.077	19,299	-
Samar Al-Behaisi	Unlisted Options	1,500,000	\$0.280	67,975	-
Advisor Placement Options	Unlisted Options	1,500,000	\$0.340	248,968	-
Marinella Messina	Unlisted Options	2,400,000	\$0.350	117,312	406,643
Borje Andersson	Unlisted Options	2,400,000	\$0.260	161,223 ²	225,712
		18,420,000		1,093,307	698,428

¹ Daniel Tillett's share based payment for the year ended 30 June 2020 was apportioned over a 12 month period with 9 months expense recognised in FY20. \$49,000 was recognised as prepayment.

² Appointed 1 February 2020. Borje Andersson's share based payment for the year ended 30 June 2020 was apportioned over a 12 month period with 5 months expense recognised in FY20. \$133,742 was recognised as prepayment.

NOTE 16. SHARE BASED PAYMENTS (CONTINUED)

During the financial year ended 30 June 2020 the Company issued 347,561 fully paid ordinary shares at an issue price of \$0.10 per share following the exercise of 500,000 unlisted 12 March 2024 employee options with an exercise price of \$0.10.

Fair value of options

The fair value of share options granted have been valued using a Black Scholes Methodology, taking into account the terms and conditions upon which the unlisted share options were granted.

A summary of the inputs used in the valuation of the options is as follows:

Unlisted Share Options	Daniel Tillett	Non-Executive Directors¹	Borje Andersson
Exercise price	\$0.19	\$0.25	\$0.18
Share price at date of issue	\$0.14	\$0.14	\$0.16
Grant date	26 Nov 2019	26 Nov 2019	5 Dec 19
Expected volatility	100%	100%	100%
Expiry date	25 Nov 2022	25 Nov 2021	5 Dec 24
Risk free interest rate	0.73%	0.76%	0.76%
Value per option	\$0.0784	\$0.0542	\$0.1122
Number of options	2,500,000	3,000,000	840,000
Total value of options	\$196,001	\$162,624	\$94,241

Fair value of options (continued)

Unlisted Share Options	Borje Andersson	Marinella Messina	Advisor Placement Options
Exercise price	\$0.28	\$0.49	\$0.45
Share price at date of issue	\$0.23	\$0.35	\$0.36
Grant date	28 Jan 2020	17 Feb 2020	12 Mar 2020
Expected volatility	100%	100%	100%
Expiry date	23 Jan 2025	17 Feb 2024	12 Mar 2022
Risk free interest rate	0.71%	0.79%	0.42%
Value per option	\$0.1613	\$0.2183	\$0.1160
Number of options	2,400,000	2,400,000	1,500,000
Total value of options	\$386,935	\$523,955	\$248,986

Fair value of Loan Shares

The fair value of share options granted have been valued using a Black Scholes Methodology, taking into account the terms and conditions upon which the loan shares were granted. The exercise price of the share options is equal to the market price of the underlying shares on the date of grant.

¹ Unlisted options were issued to the following Non-Executive Directors; John Cullity, William Garner and Chris Ntoumenopoulos.

NOTE 16. SHARE BASED PAYMENTS (CONTINUED)

A summary of the inputs used in the valuation of the loan shares is as follows:

Loan shares	Peter Molloy
Exercise price	\$0.20
Share price at date of issue	\$0.20
Grant date	1 July 2016
Expected volatility	50.06 %
Expiry date	30 June 2021
Expected dividends	-
Risk free interest rate	1.61%
Value per loan share	\$0.0895
Number of loan shares	4,000,000
Total value	\$358,016

Performance Shares

On 1 July 2016, as part of the consideration for the acquisition of intellectual property of Update Pharma, the Company agreed to issue 10,000,000 performance shares to the vendor upon satisfaction of the following milestones:

- (i) 5,000,000 performance shares to convert upon the Company satisfying the following milestones within a period of 24 months from the date of issue of the performance share
 - (a) The Company having received approval under section 505(b)(2) of the Federal Food, Drug, and Cosmetic Act 1938 which allows the use of information from historical clinical trials not conducted by the Company or Update Pharma; and
 - (b) The Company having received approval for, and commenced a bridging study on a medical product to extrapolate foreign clinical trial data on safety, efficacy and dose response within a new region; and
 - (c) 5,000,000 Performance shares to convert if, within a period of 24 months from the date of issue of the Performance shares, the Company has received approval to distribute unauthorised medications to physicians and named patients with unmet medical needs under an early access program.

Any performance shares not converted into a share within 3 years from the issue date would be automatically redeemed by the Company for a sum of \$0.0000001 per performance share within 10 business days.

An undiscounted grant date fair value of \$0.20 per performance share has been attributable to the instruments being the Initial Public Offer price of the Company's shares.

On 20 June 2018 the Performance shares were varied as approved by shareholders in a general meeting to give commercial effect to what was agreed when the terms were initially agreed to. The revised milestones in respect of the Performance Shares were as follows:

- (i) 5,000,000 Performance Shares shall convert upon the Company, within a period of 24 months from the date of issue of the Performance Shares, having received advice from the FDA that the Company may use information from historical clinical trials conducted by third parties in connection with the development and approval of Bisantrene under section 505(b)(2) of the FFDC Act; and

NOTE 16. SHARE BASED PAYMENTS (CONTINUED)

- (ii) 5,000,000 Performance Shares shall convert if, with a period of 24 months from the date of issue of the Performance Shares, the company has received approval to distribute unauthorised medication to physicians and named patients with unmet medical needs under an early access program.

The Company's Board has received legal advice that the tranche (i) and (ii) milestones were satisfied before 30 June 2018.

The satisfaction of the milestones met within the vesting period resulted in the full value of \$2,000,000 attributed to the performance shares which has been capitalised as an intangible asset, with the additional \$500,000 capitalised during the year ended 30 June 2018, increasing the existing \$1,500,000 value capitalised from the performance shares.

On 21 December 2018, the Company issued 5,000,000 fully paid ordinary shares following the conversion of Milestone (i) Performance Shares. On 12 July 2019 the remaining 5,000,000 performance shares were converted into fully paid ordinary shares following the conversion of Milestone (ii) Performance Shares.

NOTE 17. CASH FLOW INFORMATION

	2020 \$	2019 \$
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:	1,730,773	988,714
	1,730,773	988,714
(b) Reconciliation of Cash Flow from Operations with Operating Loss after Income Tax		
Operating loss after income tax	(3,845,965)	(3,659,402)
Add: adjustments for		
Share based payments	1,093,307	812,042
Amortisation	281,196	281,196
Unrealised foreign exchange translation	4,730	13,440
Changes in assets and liabilities		
Decrease in receivables	(48,304)	(181)
Decrease in payables	51,532	(117,588)
Decrease in prepayments	248	(3,920)
Increase in other foreign exchange reserve	173	411
Net Cash Flow used in Operating Activities	(2,463,083)	(2,674,002)

Credit Standby Facilities

The consolidated entity has no credit standby facilities.

Non-Cash Investing and Financing Activities

Refer to note 16 for non-cash investing and financing activities during the year.

NOTE 18. FINANCIAL INSTRUMENTS**Financial Risk Management Policies**

The consolidated entity's financial instruments consist mainly of deposits with banks, other debtors, accounts payables and borrowings.

NOTE 18. FINANCIAL INSTRUMENTS (CONTINUED)

The main purpose of non-derivative financial instruments is to raise finance for consolidated entity's operations.

The consolidated entity does not speculate in the trading of derivative instruments.

Specific Financial Risk Exposures and Management

The main risk the consolidated entity is exposed to through its financial instruments are market risk (including fair value and interest rate risk) and cash flow interest rate risk, credit risk and liquidity risk.

(a) Interest rate risk

From time to time the consolidated entity has significant interest bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The consolidated entity's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances.

The consolidated entity exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is below:

2020
Fixed interest rate maturing in:

	Floating interest rate	1 year or less	Non-interest Bearing	Total	Weighted average effective interest rate
	\$	\$	\$	\$	
Financial Assets					
Cash and cash equivalents	1,730,773	-	-	1,730,773	0.69%
Other receivables	-	-	48,918	48,918	
Total financial assets	1,730,773	-	48,918	1,779,691	
Financial Liabilities					
Trade and other Payables	-	-	239,520	239,520	
Total financial liabilities	-	-	239,520	239,520	
Net financial assets / (liability)	1,730,773	-	(190,602)	1,540,171	

2019
Fixed interest rate maturing in:

	Floating interest rate	1 year or less	Non-interest Bearing	Total	Weighted average effective interest rate
	\$	\$	\$	\$	
Financial Assets					
Cash and cash equivalents	988,714	-	-	988,714	0.74%
Other receivables	-	-	611	611	-
Total financial assets	988,714	-	611	989,325	
Financial Liabilities					
Trade and other Payables	-	-	158,369	158,369	-
Total financial liabilities	-	-	158,369	158,369	
Net financial assets	988,714	-	(157,758)	830,956	

NOTE 18. FINANCIAL INSTRUMENTS (CONTINUED)**Sensitivity Analysis**

The following table illustrates sensitivities to the consolidated entity's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Movement in Loss	Movement in Equity
Year ended 30 June 2020	\$	\$
+/-1% in interest rates	13,597	13,597
Year ended 30 June 2019		
+/-1% in interest rates	23,494	23,494

(b) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the consolidated entity. The consolidated entity does not have any material credit risk exposure to any single receivable or consolidated entity of receivables under financial instruments entered into by the consolidated entity.

Credit risk exposures

The maximum exposure to credit risk is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the consolidated entity in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The below table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

In addition, receivables balances are monitored on an ongoing basis with the result that the consolidated entity's exposure to bad debts is insignificant. The balances of receivables in the table below are considered to be of high credit quality.

	Note	2020	2019
		\$	\$
Cash and cash equivalents	8	1,730,773	988,714
Trade and other receivables		48,918	611

(c) Liquidity risk

Liquidity risk arises from the possibility that the consolidated entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation.

The consolidated entity manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

The consolidated entity has no access to credit standby facilities or arrangements for further funding or borrowings in place. The financial liabilities of the consolidated entity is confined to trade and other payables as disclosed in the Statement of Financial Position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

NOTE 18. FINANCIAL INSTRUMENTS (CONTINUED)
(c) Liquidity risk (continued)

The table below analyses the consolidated entity's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2020	Interest rate	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount assets/ (liabilities)
		\$	\$	\$	\$	\$	\$	\$
<u>Financial liabilities at amortised cost</u>								
Trade and other payables		239,520	-	-	-	-	239,520	239,520
2019	Interest rate	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount assets/ (liabilities)
		\$	\$	\$	\$	\$	\$	\$
<u>Financial liabilities at amortised cost</u>								
Trade and other payables		158,369	-	-	-	-	158,369	158,369

(d) Financial Risk Management

The consolidated entity's financial instruments consist mainly of deposits with banks.

(e) Net fair Value of financial assets and liabilities
Fair value estimation

Due to the short term nature of the receivables and payables the carrying value approximates fair value.

(f) Financial arrangements

The consolidated entity has no other financial arrangements in place.

NOTE 19. RELATED PARTY TRANSACTIONS

(a) Controlled Entities

	Country of Incorporation	% Interest	
		2020	2019
Race Oncology SPRL	Belgium	100	100
Race Oncology Research, Inc	United States	100	-

(b) Key Management Personnel ("KMP")

Details of KMP compensation are included in Note 2 and share based payment arrangements are at Note 16.

(c) Other transactions with Related Parties

Consultancy Agreements

The terms of Consultancy Agreements engaged during the financial year with Race Limited are summarised in the following table.

Prof. Borje Andersson	Consultant - Prior to appointment as a Director on 01 February 2020 a consulting agreement was executed on the 21 January 2019 for 12 months renewable by mutual agreement. - Remuneration under the agreement was the issue of options: 420,000 options issued on 21 January 2019 420,000 options issued on 31 May 2019 840,000 options issued on 5 December 2019
Mr. John Rothman (Resigned September 2019) ¹	Chief Scientific Officer - Consulting agreement commenced on 1 July 2016 and has no term until engagement is terminated, which is 3 months' written notice; - Remuneration under agreement was US\$200,000 per annum; - Entitled to a cash bonus of up to 20% of the salary payable upon meeting performance-based objectives set by the Board; and - Issued 3,000,000 Rothman Options upon settlement of the Acquisition (issued on 1 July 2016).
Dr. Samar Al-Behaisi (Resigned 20 March 2020)	Chief Medical Officer - Consulting agreement commenced on 16 May 2018 and has no term until engagement is terminated, which is 3 months' written notice; - Remuneration under agreement was Euro 162,000 per annum; - Entitled to a cash bonus of up to 20% of the salary payable upon meeting performance-based objectives set by the Board; - Granted 1,500,000 Consultant Share Options vesting annually over two years starting the commencement date; 750,000 of the Options granted had vested and lapsed as a result of vesting conditions not met; and 750,000 of the Options granted had vested and lapsed as a result of terminated agreement.

NOTE 20. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets and liabilities for the year ended 30 June 2020.

¹ From September 2018, Mr Rothman stepped down from full-time role and continued on a part-time basis until the end of December 2018; subsequently Mr. Rothman agreed to provide consulting services to the Company to assist with the IND (Investigational New Drug application) until September 2019.

NOTE 21. SEGMENT REPORTING

Identification of reportable segments

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The financial information presented to the chief operating decision maker is consistent with that presented in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows.

NOTE 22. COMMITMENTS

There are no leasing or capital commitments for the year ended 30 June 2020.

NOTE 23. SUBSEQUENT EVENTS

On 1 July 2020, the Company issued 112,500 fully paid ordinary shares at an issue price of \$0.099 following the exercise of 112,500 unlisted 31 August 2021 options with an exercise price of \$0.099.

On 6 July 2020, the Company issued 500,000 fully paid ordinary shares at an issue price of \$0.25 following the exercise of 500,000 unlisted 1 April 2022 options with an exercise price of \$0.25.

On 13 July 2020, the Company advised it had received firm commitments for \$3million in new equity funding via strategic placement of 5,000,000 ordinary shares, at an issue price \$0.60 per share. The placement had been made to three prominent biotechnology investors, Kidder Williams' David Williams, EFM Asset Management's Jeff Emmanuel and a follow-on investment by biotechnology institutional investor Merchant Opportunities Fund. The Shares were issued on the 14 July 2020.

On 16 July 2020, the Company issued 706,060 fully paid ordinary shares at an issue price of \$0.099 following the exercise of 706,060 unlisted 31 August 2021 options with an exercise price of \$0.099.

On 22 July 2020, the Company announced it had secured a new patent on its cancer drug, Bisantrone, from the United States Patent and Trademarks Office. This is Race's fourth patent granted on Bisantrone in the United States.

On 11 August 2020, the Company held its General Meeting of Shareholders and all resolutions were passed. Resolutions passed included the Selective Share Buy-Back by Race of Peter Molloy's Loan Shares. The 2,222,222 loan shares were subsequently cancelled on 26 August 2020.

On 12 August 2020, the Company issued 6,000,000 fully paid ordinary shares at an issue price of \$0.25 following the exercise of 6,000,000 unlisted 1 July 2021 options with an exercise price of \$0.25. These options were originally issued to former CEO and Managing Director, Dr Peter Molloy and were acquired by a strategic investor on the 12 August 2020 and exercised.

NOTE 24. NEW ACCOUNTING STANDARDS

New and Amended Standards Adopted by the Group

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period. The Group had to change its accounting policies and make adjustments as a result of adopting the following Standard:

- AASB 16: Leases

Changes in Accounting Policies

This note describes the nature and effect of the adoption of AASB 16: Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 July 2019, where they are different to those applied in prior periods.

NOTE 24. NEW ACCOUNTING STANDARDS (CONTINUED)

a. Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e., a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Group as lessor

Upon entering into each contract as a lessor, the Group assesses if the lease is a finance or operating lease.

A contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example, legal cost, costs to set up equipment) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Group's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Group applies AASB 15 to allocate the consideration under the contract to each component.

b. Initial Application of AASB 16: Leases

The Group has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16 the comparatives for the 2018 reporting period have not been restated.

NOTE 24. NEW ACCOUNTING STANDARDS (CONTINUED)

Changes in Accounting Policies (continued)

b. Initial Application of AASB 16: Leases

Based on the assessment by the Group, it was determined there was no impact on the Group. As such, the Group has not recognised a lease liability and right-of-use asset for all leases (with the exception of short-term and low-value leases) recognised as operating leases under AASB 117: Leases where the Group is the lessee.

There has been no significant change from prior year treatment for leases where the Group is a lessor.

Lease liabilities are measured at the present value of the remaining lease payments, where applicable. The Group's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The right-of-use assets, where applicable for the remaining leases have been measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability and the prepaid and accrued lease payments previously recognised as at 1 July 2019 (that are related to the lease).

DIRECTORS' DECLARATION



The directors of the consolidated entity, declare that:

1. the financial statements, notes and additional disclosures included in the directors' report designated as audited, of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2020 and of their performance for the year ended on that date.
2. The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial report.
3. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended to 30 June 2020.

This declaration is made in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read "Daniel Tillet".

Dr Daniel Tillet
Executive Director
Dated 27 August 2020

Independent Auditor's Report

To the Members of Race Oncology Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Race Oncology Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bentleys Audit & Corporate
(WA) Pty Ltd

London House

Level 3,

216 St Georges Terrace

Perth WA 6000

PO Box 7775

Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Accounting for share based payments As disclosed in note 16 to the financial statements, during the year ended 30 June 2020 the Consolidated Entity incurred share based payments expense of \$1,093,307. Share based payments are considered to be a key audit matter due to - the value of the transactions; - the complexities involved in the recognition and measurement of these instruments; and - the judgement involved in determining the inputs used in the valuations. Management used the Black-Scholes option valuation model to determine the fair value of the options granted. This process involved significant estimation and judgement required to determine the fair value of the equity instruments granted.	Our procedures amongst others included: ➤ Analysing agreements to identify the key terms and conditions of share based payments issued and relevant vesting conditions in accordance with AASB 2 Share Based Payments; ➤ Evaluating management's Black-Scholes Valuation Models and assessing the assumptions and inputs used; ➤ Assessing the amount recognised during the year in accordance with the vesting conditions of the agreements; and ➤ Assessing the adequacy of the disclosures included in Note 16 to the financial statements.
Intangible assets As disclosed in note 11 to the financial statements the Consolidated Entity has intangible assets with a carrying value of \$3,936,742. No impairment write-down was recorded for the year ended 30 June 2020. No indicators of impairment have been noted. Intangible assets are considered to be a key audit matter due to the size of the balance having a pervasive impact on the financial statements and the judgement requirement in assessing for impairment.	Our procedures included, amongst others: ➤ Assessing whether there are any indicators of impairment of the asset, including understanding management's planned future commercialisation activities; ➤ Comparing market capitalisation as at sign-off date to the carrying value of net assets and capitalised intangible assets at year-end; ➤ Assessing managements rights to the patents and licences acquired; and ➤ Assessing the appropriateness of the disclosures included in Note 11 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Independent Auditor's Report

To the Members of Race Oncology Limited *(Continued)*



Auditor's Opinion

In our opinion, the Remuneration Report of Race Oncology Limited, for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

A handwritten signature in blue ink that reads "Bentleys".

BENTLEYS
Chartered Accountants

A handwritten signature in blue ink that reads "Mark Delaurentis".

MARK DELAURENTIS CA
Partner

Dated at Perth this 27th day of August 2020

This Corporate Governance Statement is current as at 27 August 2020 and has been approved by the Board of the Company.

This Corporate Governance Statement discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication *Corporate Governance Principles and Recommendations 3rd Edition* (Recommendations). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and the reasons for not following them, along with what (if any) alternative governance practices have been adopted in lieu of the Recommendation. The Company will be reporting against the *Corporate Governance Principles and Recommendations 4th Edition* for the financial year ending 30 June 2021.

The Company has adopted Corporate Governance Policies which provide written terms of reference for the Company's corporate governance practices. The Board of the Company has not yet formed an audit committee, nomination committee, risk management committee or remuneration committee.

The Company's Corporate Governance Policies are contained within the Corporate Governance Plan and is available on the Company's website at www.raceoncology.com

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Roles of the Board & Management

The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from the Company's Constitution.

The Board is responsible for, and has the authority to determine all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company. The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Chief Executive Officer.

The role of management is to support the Chief Executive Officer and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

In addition to matters it is expressly required by law to approve, the Board has reserved the following matters to itself:

- Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- Appointment, and where necessary, the replacement, of the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- Approving the Company's remuneration framework;
- Monitoring the timeliness and effectiveness of reporting to Shareholders;
- Reviewing and ratifying systems of audit, risk management and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters;
- Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- Approving and monitoring the budget and the adequacy and integrity of financial and other reporting such that the financial performance of the company has sufficient clarity to be actively monitored;
- Approving the annual, half yearly and quarterly accounts;
- Approving significant changes to the organisational structure;
- Approving decisions affecting the Company's capital, including determining the Company's dividend policy and declaring dividends;
- Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- Procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively;
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted, and that its practice is consistent with, a number of guidelines including:
 - Corporate Code of Conduct;
 - Continuous Disclosure Policy;
 - Diversity Policy;
 - Performance Evaluation;
 - Procedures for Selection and Appointment of Directors;
 - Risk Management Review Procedure and Internal Compliance and Control Policy;
 - Trading Policy; and
 - Shareholder Communication Strategy.

Subject to the specific authorities reserved to the Board under the Board Charter, the Board delegates to the Chief Executive Officer responsibility for the management and operation of Race Oncology. The Chief Executive Officer is responsible for the day-to-day operations, financial performance and administration of Race Oncology within the powers authorised to him from time-to-time by the Board. The Chief Executive Officer may make further delegation within the delegations specified by the Board and will be accountable to the Board for the exercise of those delegated powers.

Further details of Board responsibilities, objectives and structure are set out in the Board Charter which is contained within the Corporate Governance Place available on the Race Oncology website.

Board Committees

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate committees at this time including audit and risk, remuneration or nomination committees, preferring at this stage of the Company's development, to manage the Company through the full Board of Directors. The Board assumes the responsibilities normally delegated to the audit and risk, remuneration and nomination Committees.

If the Company's activities increase, in size, scope and nature, the appointment of separate committees will be reviewed by the Board and implemented if appropriate.

Board Appointments

The Company undertakes comprehensive reference checks prior to appointing a director, or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The terms of the appointment of a non-executive director, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.

The Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

Diversity

The Board has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect to gender, age, ethnicity and cultural diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives (if considered appropriate) and to assess annually both the objectives (if any have been set) and the Company's progress towards achieving them.

The Board considers that, due to the size, nature and stage of development of the Company, setting measurable objectives for the Diversity Policy at this time is not appropriate. The Board will consider setting measurable objectives as the Company increases in size and complexity.

The participation of women in the Company at the date of this report is as follows:

- | | |
|--|-----|
| • Women employees in the Company | 33% |
| • Women in senior management positions | 0% |
| • Women on the Board | 0% |

The Company's Diversity Policy is contained within the Corporate Governance Plan and is available on its website.

Board & Management Performance Review

On an annual basis, the Board conducts a review of its structure, composition and performance.

The annual review includes consideration of the following measures:

- Comparing the performance of the Board against the requirements of its Charter;
- Assessing the performance of the Board over the previous 12 months having regard to the corporate strategies, operating plans and the annual budget;
- Reviewing the Board's interaction with management;
- Reviewing the type and timing of information provided to the Board by management;

- Reviewing management's performance in assisting the Board to meet its objectives; and
- Identifying any necessary or desirable improvements to the Board Charter.

The method and scope of the performance evaluation will be set by the Board and may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.

The Chairman has primary responsibility for conducting performance appraisals of Non-Executive Directors, in conjunction with them, having particular regard to:

- Contribution to Board discussion and function;
- Degree of independence including relevance of any conflicts of interest;
- Availability for and attendance at Board meetings and other relevant events;
- Contribution to Company strategy;
- Membership of and contribution to any Board committees; and
- Suitability to Board structure and composition.

The Board conducts an annual performance assessment of the Chief Executive Officer against agreed key performance indicators.

Board and management performance reviews were conducted during the year in accordance with the above processes.

Independent Advice

Directors have a right of access to all Company information and executives. Directors are entitled, in fulfilling their duties and responsibilities, to seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Board Composition

At the date of this report the Board was comprised of the following members:

Dr John Cullity	Executive Chairman (appointed as a Non-Executive Director 6 April 2018, Non-Executive Chairman 6 March 2020 and Interim Executive Chairman 20 May 2020);
Prof Borje Andersson	Non-Executive Director (appointed 1 February 2020);
Dr William James Garner	Non-Executive Director (appointed 1 July 2016, Non-Executive Chairman to 6 March 2020);
Mr Phillip Lynch	Non-Executive Director (appointed 1 June 2020);
Mr Chris Ntoumenopoulos	Non-Executive Director (appointed 27 April 2016);
Dr Daniel Tillet	Executive Director (appointed 17 September 2019); and
Dr Peter Molloy	Chief Executive Officer (appointed 1 July 2016, resigned 20 May 2020).

The Board consists of a majority of Non-Executive Directors.

Race Oncology has adopted a definition of 'independence' for Directors that is consistent with the Recommendations.

The Company currently has only one independent Director, Mr Phillip Lynch.

Dr Cullity is not considered to be independent due to him having a material business relationship with the Company to secure licensing partners for Bisantrone and by virtue of being Executive Chairman of the Company. Dr Andersson is not considered to be independent as he provides consultancy services to the Company. Dr Garner is not considered to be independent as he is a substantial holder of the Company. Mr Molloy was not considered to be independent as he was an executive of the Company. Mr Chris Ntoumenopoulos is not considered to be independent as he had been in a material business relationship with the Company, having been involved with the capital raising as part of its listing on the ASX.

Given the size of the Board and the nature and scale of the Company's current operations the Board believes that its current composition, with only one independent Director, is sufficient.

Board Selection Process

The Board considers that a diverse range of skills, backgrounds, knowledge and experience is required in order to effectively govern Race Oncology. The Board believes that orderly succession and renewal contributes to strong corporate governance and is achieved by careful planning and continual review.

The Board is responsible for the nomination and selection of directors. The Board reviews the size and composition of the Board regularly and at least once a year as part of the Board evaluation process.

The Board has established a Board Skills Matrix. The Board Skills Matrix includes the following areas of knowledge and expertise:

- Strategic expertise;
- Specific industry knowledge;
- Accounting and finance;
- Risk management;
- Experience with financial markets; and
- Investor relations.

Induction of New Directors and Ongoing Development

New Directors are issued with a formal Letter of Appointment that sets out the key terms and conditions of their appointment, including Director's duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with any Committee work.

An induction program is in place and new Directors are encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

The Company has implemented a Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders.

All employees and Directors are expected to:

- Respect the law and act in accordance with it;
- Maintain high levels of professional conduct;
- Respect confidentiality and not misuse Company information, assets or facilities;
- Avoid real or perceived conflicts of interest;
- Act in the best interests of shareholders;
- By their actions contribute to the Company's reputation as a good corporate citizen which seeks the respect of the community and environment in which it operates;
- Perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- Exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- Act with honesty, integrity, decency and responsibility at all times.

An employee that breaches the Code of Conduct may face disciplinary action including, in the cases of serious breaches, dismissal. If an employee suspects that a breach of the Code of Conduct has occurred or will occur, he or she must report that breach to the Company Secretary. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

The Board as a whole fulfils to the functions normally delegated to the Audit Committee as detailed in the Audit and Risk Committee Charter.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board receives regular reports from management and from external auditors. It also meets with the external auditors as and when required.

The external auditors attend Race Oncology's AGM and are available to answer questions from security holders relevant to the audit.

Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.

There is also a requirement that the lead engagement partner responsible for the audit not perform in that role for more than five years.

CEO and CFO Certifications

The Board, before it approves the entity's financial statements for a financial period, receives from its CEO and CFO (or, if none, the persons fulfilling those functions) a declaration provided in accordance with Section 295A of the Corporations Act that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

The Company has a Continuous Disclosure Policy which outlines the disclosure obligations of the Company as required under the ASX Listing Rules and Corporations Act. The policy is designed to ensure that procedures are in place so that the market is properly informed of matters which may have a material impact on the price at which Company securities are traded.

The Board considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers in its meetings. Individual Directors are required to make such a consideration when they become aware of any information in the course of their duties as a Director of the Company.

The Company is committed to ensuring all investors have equal and timely access to material information concerning the Company.

The Board has designated the Company Secretary as the person responsible for communicating with the ASX. All key announcements at the discretion of the Chief Executive Officer are to be circulated to and reviewed by all members of the Board.

The Chairman, the Board, Chief Executive Officer and the Company Secretary are responsible for ensuring that:

- a) Company announcements are made in a timely manner, that announcements are factual and do not omit any material information required to be disclosed under the ASX Listing Rules and Corporations Act; and
- b) Company announcements are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

The Company recognises the value of providing current and relevant information to its shareholders. The Board of the Company aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- Communicating effectively with shareholders through releases to the market via ASX, the company website, information posted or emailed to shareholders and the general meetings of the Company;
- Giving shareholders ready access to clear and understandable information about the Company; and
- Making it easy for shareholders to participate in general meetings of the Company.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company. These contact details are available on the "Contact" page of the Company's website.

Shareholders may elect to, and are encouraged to, receive communications from Race Oncology and Race Oncology's securities registry electronically. The contact details for the registry are available on the "Contact Us" page of the Company's website.

The Company maintains information in relation to its Constitution, governance documents, Directors and senior executives, Board and committee charters, annual reports and ASX announcements on the Company's website.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

The Board is committed to the identification, assessment and management of risk throughout Race Oncology's business activities.

The Board is responsible for the oversight of the Company's risk management and internal compliance and control framework. The Company does not have an internal audit function. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and internal compliance and control framework. Race Oncology has established policies for the oversight and management of material business risks.

Race Oncology's Risk Management and Internal Compliance and Control Policy recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. Risk management improves decision making, defines opportunities and mitigates material events that may impact security holder value.

Race Oncology believes that explicit and effective risk management is a source of insight and competitive advantage. To this end, Race Oncology is committed to the ongoing development of a strategic and consistent enterprise wide risk management program, underpinned by a risk conscious culture.

Race Oncology accepts that risk is a part of doing business. Therefore, the Company's Risk Management and Internal Compliance and Control Policy is not designed to promote risk avoidance. Rather Race Oncology's approach is to create a risk conscious culture that encourages the systematic identification, management and control of risks whilst ensuring we do not enter into unnecessary risks or enter into risks unknowingly.

Race Oncology assesses its risks on a residual basis; that is it evaluates the level of risk remaining and considering all the mitigation practices and controls. Depending on the materiality of the risks, Race Oncology applies varying levels of management plans.

The Board has required management to design and implement a risk management and internal compliance and control system to manage Race Oncology's material business risks. It receives regular reports on specific business areas where there may exist significant business risk or exposure. The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management and Internal Compliance and Control Policy), which is developed and updated to help manage these risks. The Board does not consider that the Company currently has any material exposure to environmental or social sustainability risks.

The Company's process of risk management and internal compliance and control includes:

- Identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect those risks;
- Formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and
- Monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

The Board reviews the Company's risk management framework at least annually to ensure that it continues to effectively manage risk.

Management reports to the Board as to the effectiveness of Race Oncology's management of its material business risks on at each Board meeting.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

The Board as a whole fulfils to the functions normally delegated to the Remuneration Committee as detailed in the Remuneration Committee Charter.

Race Oncology has implemented a Remuneration Policy which was designed to recognise the competitive environment within which Race Oncology operates and also emphasise the requirement to attract and retain high calibre talent in order to achieve sustained improvement in Race Oncology's performance. The overriding objective of the Remuneration Policy is to ensure that an individual's remuneration package accurately reflects their experience, level of responsibility, individual performance and the performance of Race Oncology.

The key principles are to:

- Review and approve the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- Ensure that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- Fairly and responsibly reward executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
- Remunerate fairly and competitively in order to attract and retain top talent;
- Recognise capabilities and promote opportunities for career and professional development; and
- Review and approve equity based plans and other incentive schemes to foster a partnership between employees and other security holders.

The Board determines the Company's remuneration policies and practices and assesses the necessary and desirable competencies of Board members. The Board is responsible for evaluating Board performance, reviewing Board and management succession plans and determines remuneration packages for the Chief Executive Officer, Non-Executive Directors and senior management based on an annual review.

Race Oncology's executive remuneration policies and structures and details of remuneration paid to directors and key management personnel (where applicable) are set out in the Remuneration Report.

Non-Executive Directors receive fees (including statutory superannuation where applicable) for their services, the reimbursement of reasonable expenses and, in certain circumstances options.

The maximum aggregate remuneration approved by shareholders for Non-Executive Directors is \$300,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders.

The total fees paid to Non-Executive Directors during the reporting period were \$217,088.

Executive directors and other senior executives (where appointed) are remunerated using combinations of fixed and performance based remuneration. Fees and salaries are set at levels reflecting market rates and performance based remuneration is linked directly to specific performance targets that are aligned to both short and long term objectives.

In accordance with the Company's Securities Trading policy, participants in an equity based incentive scheme are prohibited from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.

Further details in relation to the company's remuneration policies are contained in the Remuneration Report, within the Directors' report.

ASX ADDITIONAL INFORMATION



The shareholder information set out below was applicable as at 9 October 2020.

As at 9 October 2020 there were 2,102 holders of Ordinary Fully Paid Shares

VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representation more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held.

There are no voting rights attached to any of the options and performance shares that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities are listed below:

Ordinary Full Paid Shares

Holder Name	Holding	% IC
Dr William James Garner	13,680,078	10.73%
Dr Daniel Tillett	9,200,000	7.21%
The Trust Company (Australia) Limited <MOF A/C>	9,154,765	7.18%
Mr Phillip Richard Perry	5,825,694	4.57%
Biosynergy Partners Pty Ltd	3,787,878	2.97%
Mr Mark Phillip Juan	1,548,958	1.21%
Mr Peter Laurence Molloy	1,525,378	1.20%
Mr Phillip Richard Perry & Mrs Tetyana Perry <Doneska Super Fund A/C>	1,490,000	1.17%
Mr Anthony James Robinson <The Peeko Family No 86 A/C>	1,436,665	1.13%
Mr John Andrew Rodgers <John Rodgers Family A/C>	1,428,570	1.12%
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRO>	1,421,587	1.11%
Moggs Creek Pty Ltd <Moggs Creek Super A/C>	1,255,892	0.98%
Citicorp Nominees Pty Limited	1,208,840	0.95%
Mr Andrew David Walker & Mrs Angela Rosemary Walker	1,156,000	0.91%
Mr Kenneth Barry Ridley & Mrs Catherine Mary Ridley <Ridley Retirement Fund A/C>	1,153,000	0.90%
Mr Kimberley Ross Gartrell & Mrs Jennifer Margaret Gartrell <K&J Gartrell Super Fund A/C>	1,085,000	0.85%
Ms Nicole Gallin & Mr Kyle Haynes <GH Super Fund A/C>	950,000	0.74%
Mr Sandor Helby	912,880	0.72%
Mr Andrew Jacobs	823,746	0.65%
Mr Graeme Stewart Pocknall & Mrs Vivienne Glynis Pocknall	801,775	0.63%
Totals	59,846,706	46.92%

ASX ADDITIONAL INFORMATION



SUBSTANTIAL HOLDERS

The names of the substantial shareholders disclosed to the Company as substantial shareholders as at 9 October 2020 are:

Name	No of Shares Held	% of Issued Capital
Mr William James Garner	13,930,078	10.92%
Merchant Funds Management Pty Ltd as Manager of the Merchant Opportunities Fund & Merchant Group Pty Ltd	13,356,668	10.47%
Daniel Tillett	9,200,000	7.21%

DISTRIBUTION OF EQUITY SECURITIES

Ordinary Fully Paid Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	235	152,476	0.12%
1,001 - 5,000	627	1,691,493	1.33%
5,001 - 10,000	353	2,803,924	2.20%
10,001 - 100,000	697	27,818,377	21.81%
100,001 - 9,999,999,999	178	95,080,105	74.55%
Totals	2,090	127,546,375	100.00%

Unmarketable Parcels – 104 Holders

RESTRICTED SECURITIES

As at 9 October 2020 there were no restricted securities.

UNQUOTED SECURITIES

As at 9 October 2020, the following unquoted securities are on issue:

3,000,000 Options Expiring 01/07/2021 @ \$0.25 – 1 holders

Holders with more than 20%

Holder Name	Holding	% IC
John Rothman	3,000,000	100.00%

135,000 Options Expiring 01/08/2021 @ \$0.256 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Del Biopharma LLC	135,000	100.00%

9,178,407 Options Expiring 31/08/2021 @ \$0.0.099 – 22 Holders

Holders with more than 20%

Holder Name	Holding	% IC
Dr Daniel Tillett	4,250,000	46.30%
Biosynergy Partners Pty Ltd	1,893,939	20.63%

3,000,000 Options Expiring 25/11/2021 @ \$0.0.25 – 3 Holders

Holders with more than 20%

Holder Name	Holding	% IC
Sobol Capital Pty Ltd <BOC Investment A/C>	1,000,000	33.33%
Biosynergy Partners Pty Ltd	1,000,000	33.33%
Dr William James Garner	1,000,000	33.33%

ASX ADDITIONAL INFORMATION



2,000,000 Options Expiring 27/11/2021 @ \$0.23 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Craganorig Holdings LLC	2,000,000	100.00%

1,500,000 Options Expiring 12/03/2022 @ \$0.45 – 4 Holders

Holders with more than 20%

Holder Name	Holding	% IC
Laneway Investments Pty Ltd <Jola Family A/C>	750,000	50.00%
Macaronis Pty Ltd <Pink Lady A/C>	675,000	45.00%

100,000 Options Expiring 08/05/2022 @ \$0.25 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Kay Joan Webse	100,000	100.00%

2,500,000 Options Expiring 25/11/2022 @ \$0.19 – 3 Holders

Holders with more than 20%

Holder Name	Holding	% IC
Dr Daniel Tillett	2,500,000	100.00%

420,000 Options Expiring 01/10/2023 @ \$0.12 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Mr Tom Lee	420,000	100.00%

420,000 Options Expiring 21/01/2024 @ \$0.12 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Prof Borje Andersson	420,000	100.00%

2,400,000 Options Expiring 17/02/2024 @ \$0.49 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Marinella Messina	2,400,000	100.00%

100,000 Options Expiring 12/03/2024 @ \$0.135 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Mr Peter Gordon Webse	100,000	100.00%

840,000 Options Expiring 31/05/2024 @ \$0.085 – 2 Holders

Holders with more than 20%

Holder Name	Holding	% IC
Mr Tom Lee	420,000	50.00%
Prof Borje Andersson	420,000	50.00%

840,000 Options Expiring 05/12/2024 @ \$0.18 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Prof Borje Andersson	840,000	100.00%

ASX ADDITIONAL INFORMATION



2,400,000 Options Expiring 23/01/2025 @ \$0.275 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Prof Borje Andersson	840,000	100.00%

ON-MARKET BUY BACK

There is currently no on-market buyback program.